OVERSIGHT HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

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OVERSIGHT HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

MONDAY, MAY 6, 1985

House of Representatives,
Subcommittee on Postsecondary Education,
Committee on Education and Labor,
Ypsilanti, MI.

The subcommittee met, pursuant to call, at 9:30 a.m., in McKenny Union, Eastern Michigan University, Ypsilanti, MI, Hon. William D. Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford and Williams.

Staff present: Thomas R. Wolanin, staff director; Kristin Gilbert, clerk; and Rich DiEugenio, minority legislative associate.

Mr. Ford. I am pleased to call this field hearing to order. This is the Subcommittee on Postsecondary Education of the U.S. House of Representatives.

Today our hearing will focus primarily on recommendations and concerns expressed here in Michigan with respect to the reauthorization of the Higher Education Act of 1965, which must be accomplished in this Congress. This is the 4th in what we expect to be a series of 10 field hearings around the country. Prior to today, the subcommittee has met in Vermont, Illinois, and Iowa. We have additional hearings presently planned for New York, Maine, State of Washington, Missouri, Pennsylvania, and Massachusetts.

The subcommittee will probably also hold in excess of 20 hearings on the specific subject matter of reauthorization in Washington beginning early in June.

The Higher Education Act is the primary source of Federal support for students in higher education institutions. It must be reauthorized or extended in this Congress and the largest and most important programs contained in the act provide grants, loans, work opportunities, and special services to students who demonstrate a need for Federal help.

In the coming school year, more than $13 billion will be made available to needy students in grants, loans, and work opportunities. Nearly half of the approximately 12 million students attending the 6,000 institutions of postsecondary education across the United States will receive some form of Federal assistance. These student assistance programs are the centerpiece of the Higher Education Act and they play a critical role in achieving the Federal goal and objective of equal educational opportunity.

I might say that there have recently been people who disagreed with that, but I have understood for many years that to be the principal objective of what we were trying to do. The Higher Education Act also contains programs to assist college libraries, for international education and cooperative education, as well as the Fund for the Improvement of Postsecondary Education.

I expect that the process of reauthorizing the Higher Education Act will be long and complex. I hope, however, that we will succeed in reaffirming the Federal commitment to equal educational opportunity and excellence in higher education.

I am particularly pleased to hold this hearing on the campus of Eastern Michigan University, which is in my congressional district, and this morning we will hear from witnesses representing public and private postsecondary institutions here in Michigan, students, administrators of student assistance programs on the campus, and State officials.

Before calling the first panel, I would like to publicly thank the gentleman from Montana to my left, Congressman Pat Williams, who has a small district consisting of the entire western half of the State of Montana, including—what do you have—Yellowstone National Park and Glacier National Park are a couple of his little public parks in that district. Pat came in last night from Montana and without him, we wouldn't be able to have the hearing. I should say that both of us may take a beating on our voting record today because although we have been assured by the majority leadership that there will be no votes on any matter of substance, there is reason to believe that a handful of people who are currently having spring fever trying to disrupt the House, will probably call for a number of procedural votes today. So this is by way of telling any of you who are interested in scorecards that we aren't going to have 100 percent attendance. This has been happening to us as we hold field hearings and we expect it will continue to happen. It is part of the explanation for why more members were not able to attend the hearing because they are concerned about the impact of missing those votes, as troublesome and inconsequential as they may be.

I would like to thank Pat for the special effort in coming here and in introducing him say that he has been on the committee for 7 years. He is one of the most active and aggressive members of the committee and in this Congress, he is the chairman of the Select Education Subcommittee. Pat, in his own right, as chairman of that committee is busy at the moment reauthorizing the Endowments for the Arts and Humanities, which expire this year.

That will probably be the first reauthorization bill we will be considering out of the full committee this year. I know that he is going to have questions to ask because he has made that a habit and a practice ever since he came to the committee, but he is a refreshing person to have on the committee. He doesn't believe that because we have always done it some way that that is the only way to do things and he has a western perspective that is extremely helpful at all times.

In addition to that, I treasure him as a valued and true friend in the Congress and one with whom I am allied very, very frequently almost on all issues. I can't think of one, Pat, right off the bat that we have disagreed on, but there must be something some place.

With that, I would like to recognize Congressman Williams for any comment he would like to make before we proceed.

Mr. **Williams**. Thank you, Mr. Chairman. Bill, I am delighted to be with you and with your friends and colleagues here in Michigan. I am particularly pleased to be in Ypsilanti, which I have not visited before, although I have been in the area on several occasions. I am particularly glad to be here on the campus at Eastern Michigan University where we are looking forward—this committee is—to receiving the good counsel of the Michigan higher education community.

I want to commend your Congressman on the vigorous pursuit that he is conducting to receive the best advice and counsel from the higher education community, not just here in this district, but across the United States. One of the things that I would request from some of you this morning, despite the fact that you already have testimony prepared, is to visit with us, if you can, about education's effect on the national budget and particularly upon the deficit question. Along with being on the Education and Labor Committee, I am also on the House Budget Committee and I am the representative of education on the House Budget Committee, and as you know, we are now in the process of preparing this Nation's budget for the coming year and so if in your testimony, or perhaps in some of your answers to my questions, you could touch upon the effect of education on the national budget today and tomorrow, I would appreciate it.

Again, Bill, it is nice to be with you.

Mr. **Ford**. Thank you very much.

The first panel will be Dr. John Porter, president of Eastern Michigan University; Dr. David Adamany, president of Wayne State University; and Tom Butts, representing Dr. Harold Shapiro, of the University of Michigan.

If you gentlemen would take seats and pull this little microphone up in front of you.

Before they start, I think I should mention for those who may not know it that we decided on a procedure and this is the agreement made between me and the ranking Republican on the committee, Tom Coleman, of Missouri, to try to follow the procedure we used in 1979 that led to the 1980 reauthorization of higher education, of asking the education community to tell us exactly what they would like to have done and why.

So early this year, Tom and I sent a letter, jointly signed, to approximately 140 organizations that purport to speak for higher education, asking them to respond by the 1st of May with their specific recommendations about how they would like the Higher Education Act to read, exactly what they would like to see in the law, their explanation and rationalization for that and that process has proceeded. We have received responses from 90 of the organizations and the higher education people would be pleased to know that 70 of them followed the instructions. [Laughter.]

That is not bad when you are dealing with higher education people, to get that many who follow the instructions. The staff is now collating all of these suggestions and we will have a committee print ready in the next couple of weeks, as soon as they can finish their work and we get the Government Printing Office to do the turnaround on it, which will have the existing law, the proposed change and the rationale for the change set down, together with the group or organization that is proposing the change.

We will redistribute that to all of the associations and other people that express an interest and then, early in June, start a series of hearings by subject matter, sort of generally following titles in the bill, but not necessarily limited to titles, but concentrating on one area of the legislation at a time so that we can exhaustively discuss how each of the component pieces works or doesn't work and what problems, if any, exist with those component pieces.

This is the procedure we followed in 1979 in the House. We had, I believe, 34 hearings in Washington after the field hearings to accommodate that process and I am hoping that we can get that down to 20 or 25 this time, but if it takes more, we will have them.

By this process, we were able in 1979 and 1980 to go forward and the ranking Republican at that time and I agreed not to introduce a bill. Fortunately for us, the administration did not have a bill up front for people to react to. We don't expect that the administration is going to have one very early this year because they, incidentally, are one of the groups that have responded, but not responded. They have given us their budget proposals, which contain a lot of substantive changes in the programs, and absent anything else, at this point on the record, we assume that budget's proposals are their proposal for reauthorization.

It is quite understandable that they are in a difficult position to depart from those with any recommendations in an official way at the present time, so we expect to be proceeding without a specific piece of legislation, although there are some parts of the total package that bills have been introduced to deal with and those specific parts in the formal bills will be discussed. Hopefully we will end up with a package and have the support of the higher education community for that combined package when we finish.

In 1979, that produced an authorization of $50 billion over a period of 5 years and the cooperation of the higher education people was so wonderful in that instance that every single member of the Education and Labor Committee, both Democratic and Republican members, were cosponsors of the final product when it went to the floor.

It passed the U.S. House of Representatives in 1979 with a $50 billion authorization, with only 15 no votes. No major piece of legislation has done as well, and we give—those of us who worked on it for 2 years to get it there—give the education community, and particularly the student groups who again are working with us, a great deal of credit for being able to inform the Members of the Congress with respect to the issues that would emerge while this legislation is being considered so that they were able to make judgments in an informed way.

While some may snicker at this, the fact of the matter is that the Congress doesn't do bad if it is properly informed. The Congress is still one of the greatest deliberative bodies in the country or the world when we know what we are doing. That only happens once in a while, and it only happens on those issues where the people directly involved do the job of educating the Members with respect to the importance of the programs. That legislation was enacted finally into law in 1980, as a result of the Senate bill which we went to conference with in 1980 and it was signed by President Carter in 1980, representing, at that time, the largest single commitment made in one piece of legislation to education in the history of the Federal Government's involvement with education.

Now, plain and simple, very modestly, what we want to do is repeat the process and get the same kind of result. Without quibbling about the amount of dollars involved, we feel that the surge forward in commitment that was made at that time is still very much in the hearts and minds of people. In some, it hasn't yet been awakened or quickened, as they say, but nevertheless, it is there.

A large part of the importance of these hearings is to have the people on our panels impress others with the fact that there is work to be done in helping the Congress to understand the issues that will evolve and to approach them in a rational fashion.

All three of you gentlemen have submitted prepared testimony and without objection, that will be inserted in full in the record immediately preceding your statements. I suppose we can start by way of Michigan seniority with Dr. Porter.

STATEMENTS OF JOHN W. PORTER, PRESIDENT, EASTERN MICHIGAN UNIVERSITY; DAVID W. ADAMANY, PRESIDENT, WAYNE STATE UNIVERSITY; AND TOM BUTTS, FOR HAROLD T. SHAPIRO, PRESIDENT, UNIVERSITY OF MICHIGAN; ACCOMPANIED BY RICHARD KENNEDY

Mr. PORTER. Chairman Ford, Congressman Williams, on behalf of Eastern Michigan University, we are very pleased to have the Subcommittee on Higher Education on our campus, in the district of Congressman Ford, in the new board of regents room.

I am pleased to appear before the subcommittee today to testify on the issue of reauthorization of Federal student financial aid programs, a very important issue for all of us in higher education. This is an issue of great importance and in my testimony, I have outlined that importance and I want to summarize that importance at this time.

It is important to the State of Michigan, to the Nation, certainly to the young people who aspire for a higher education in terms of equality of access to a college. However, consistent with Congressman Pat Williams' comments and as it was contained in my testimony, before addressing the issue of reauthorization, I feel it incumbent upon me to speak to the issue of the President's budget proposals for Federal student financial aid that is before the Budget Committee.

The recommended decreases in Federal student financial aid would impact 25 percent of Eastern Michigan University's financial aid to students. The specific details of these cuts will be discussed by other speakers, particularly Courtney McAnuff, financial aid director at Eastern Michigan University, but the administration's recommendation would reduce our budget by $5 million, or more than 25 percent, and it would be catastrophic.

I want to emphasize that these cuts, as proposed, change significantly the direction higher education has taken during the past 20 years since the historic Elementary and Secondary Act of 1965 and the historic and first Higher Education Act of 1965, both of which Congressman Ford had a lot to do with.

A direction over the past two decades, which has encouraged greater participation and assured better access to the system for all qualified students regardless of race, creed, color. Over those 20 years, we have seen significant changes in the complexity of higher education, the demographics of higher education, and indeed, in those who are going to higher education following the GI bill that, prior to that, also changed the context and texture of higher education.

It is clear to me that without the Federal financial aid that students at Eastern Michigan University have enjoyed under title IV since 1965, this university would not be the institution of quality that it is, the institution of uniqueness that it is, and certainly the institution of opportunity that it has always been historically and wishes to continue to be.

Eastern Michigan University is a general State university offering a baccalaureate and masters and special degree to—in a variety of disciplines, and very briefly, we emphasize the arts and humanities, business, education, health and human services, science and mathematics and technology. These are areas that title IV has made possible for first-generation students, for minority students and for women. Nearly 60 percent of the students enrolled at Eastern Michigan University today are women; over 10 percent are minority; over 5 percent are international students.

We are pleased that we have been able to respond to the needs of the nearly 21,000 students enrolled at this institution this year, making it one of the 81 largest public or private 4-year colleges and universities in the United States.

We do serve primarily southeastern Michigan with nearly 92 percent of our students at the undergraduate level and 90 percent at the graduate level being from Michigan. However, the university does have representative student bodies both nationally and internationally.

More than 70 percent of the undergraduate students at our institution are between the ages of 18 and 23. Although the percentage of new freshmen who were 19 years or less declined slightly this year from the 2 previous years, still more than 74 percent of the new freshmen are less than 20 years of age. The average age of the graduate student at Eastern Michigan University is 32 and nearly 29 percent of the graduate students are older than 35, and I cite those statistics in setting the stage for reauthorization to say that we continue to respond to a wide variety of age groups and we hope to be able to do that through the rest of this decade, and certainly into the 1990's.

Less than 30 percent of the university's undergraduate students are part time. The percentage of part-time enrollment has been declining over the past 5 years. Approximately 78 percent of the graduate students are enrolled part time. These statistics correlate well to national figures.

However, during 1984, 1985, financial aid totaling more than 20 million will be awarded to more than 12,000 students on our campus. This will include nearly $2 million from the university's general scholarship fund, more than $4 million in State funds, and more than $14 million in Federal funds.

Federal financial aid for our university is absolutely essential if we are to continue to be responsive to the needs of those students that we serve. Financial Federal aid will include $730,000 in supplemental educational opportunity grants, $1.1 million for college work-study programs, $1.4 million in national direct student loans, $7.5 million in guaranteed student loans, $3.2 million in Pell grants, $45,000 for ROTC scholarships and $20,500 for miscellaneous scholarships.

Nearly 45 percent of our students, Congressman Williams, receive Federal loans. Without the assistance of scholarships, loans, and grants, many Eastern Michigan University would not be able to stay in school. Historically, as I indicated before, we enroll a great many first-generation college students, many of whom also work full-time and receive financial aid in order to pursue their higher education.

As an institution, we take seriously our responsibility as a public body to make higher education accessible to qualified students. We are proud of this fact which in great part has resulted in enabling us to keep our tuition rates among the lowest of the public colleges and universities in Michigan.

One of our top institutional priorities is improvement of our endowment fund which provides scholarships to academically talented students, regardless of need. We fully recognize the need for individual institutions to find ways to provide more assistance to students, independent of Federal programs. But I want to emphasize, even though we realize that we have a responsibility to do more as an institution, the Federal student financial aid programs remain critical and essential to the well-being of this institution.

According to the Association of Independent Colleges and Universities, the Federal Government supports 30 to 35 percent of the cost of higher education. More than 70 percent of all students enrolled at private colleges and more than 50 percent of all students enrolled in higher education programs, receive some form of financial aid.

Without a doubt, the education of the Nation's young adults and the retraining of the Nation's adult population are, in my opinion, among the Nation's most important endeavors. There is no more important assignment for this subcommittee than having the Congress reaffirm that commitment and reauthorize title IV.

As chairman of the college board, I acutely am aware of the strides that our minority youth have achieved in scoring well in college entry exams over the past 20 years. It has taken two to three decades, a full generation, to achieve these gains, but we are now on the verge of having a larger pool of qualified minority students ready to enter college at a time when college may become less accessible to them.

We must not let this happen or we risk letting our higher education system become an elitist opportunity for only the financially well to do. The Federal Government has played an important role in helping us to respond to the aspirations of this segment of our society, people that we need for the 21st century well-being and competitiveness of this Nation. It is in the best interest of the

Nation to reauthorize the Federal student financial aid programs in order to assure access to higher education for all qualified individuals.

In summary, I would like to identify four specific issues that I think would be important for the subcommittee to consider as reauthorization takes place: First, the need for validation of financial aid applications; second, the need to provide incentives for enrollment in teacher education programs; third, the need to channel student financial aid funds into cooperative education programs, rather than unrestricted student loan programs; and four, the need for financial aid for nontraditional students.

I just want to comment on these four briefly. First, the validation of financial aid applications would allow us to make better use of currently appropriated funds and would alleviate the need for additional financial aid funds and would be responsive to the concern that Congress and the administration has relative to quality control.

Eastern Michigan University is one of only two institutions in the State that voluntarily validates all financial aid applications.

Second, I would urge the committee to consider a means for encouraging students to become teachers. All of the data indicates—and the State superintendent of public instruction is here today and I am certain will speak to this issue—all of the indicators are that we will have a teacher shortage very soon. The salary levels of teachers and the attractiveness of scholarships to encourage high school students and others to enter the field are not competitive with business and technology and health and human services. What is not so clear is the impending crisis that we have in terms of new supply of teachers.

The statistics are overwhelming and I have cited the statistics in my testimony and will not elaborate upon them, but I would urge the subcommittee to think seriously in terms of reauthorization of providing some mechanism whereby new people will see teaching as very, very important to the well-being and future of this Nation.

Third, I would like to suggest that the subcommittee consider directing specific funds to support cooperative education aid programs, which I realize are covered in separate legislation. We believe that cooperative education, the ability to acquire experience in the field that one is engaged in, is a very important pursuit. It also enables us at the university level to bring the business community into the process of higher education. We think that that collaborative effort will be beneficial, not only to higher education, certainly to the students involved, but also to the business community.

Cooperative education employees benefit by the training of future employees, reducing recruitment costs and evaluating students prior to an offer for employment.

Fourth and finally, I would point out to the subcommittee that although the full-time younger student that I cited previously continues to be holding steady at our university and nationally, approximately 30 percent of the student body is 25 years of age or older. According to the National Center of Education, this figure will rise to 47 percent by 1990.

Nationally, only one out of every five part-time students receives Federal financial aid, and many of these recipients are veterans. The older adult student is typically independent and many have nonliquid assets such as homes, which often preclude their obtaining Federal financial aid.

There is a clear need to provide new and innovative assistance to this segment of the student population, this segment which would become even more important during the next stage of reauthorization. A loan program of repayment based on future earnings collected through an agency such as the IRS might be worth considering.

Congressman Ford, let me conclude by commending you for the role you personally played in reauthorizing the Middle Income Assistance Act. Furthermore, I wish to express appreciation to the subcommittee, Congressman Williams, for its continued support of Federal student financial aid programs. We look to you with confidence as we seek reauthorization of the Federal Student Financial Aid Program.

Let me emphasize that if reauthorization does not take place, 70 percent of the financial aid programs at this university will be lost, 70 percent. This would affect the ability of approximately 9,000 students at this university to continue the pursuit of a college degree. I am certain that the testimony today, and at other hearings that you will hold around the country, will overwhelmingly support the position that we have taken; reauthorization is essential to the well-being of higher education in this Nation.

Thank you.

[Prepared statement of John W. Porter follows:]

PREPARED STATEMENT OF DR. JOHN W. PORTER, PRESIDENT, EASTERN MICHIGAN UNIVERSITY

Chairman Ford and Members of the U.S. House Subcommittee on Higher Education, I am pleased to appear before the Subcommittee today to testify on the issue of Reauthorization of Federal Student Financial Aid Programs. This is an issue of great importance to Eastern Michigan University, to the state of Michigan and to the nation as a whole. However, before I address the issue of Reauthorization, I feel it is incumbent upon me to speak to the issue of the President's budget proposals for federal student financial aid programs.

The recommended decreases in federal student financial aid would impact 25 percent of Eastern Michigan University's financial aid to students. The specific details of these cuts will be discussed by other speakers later in the hearing. I would like to emphasize that these cuts would be catastrophic to the direction higher education has taken during the last 20 years, a direction which has encouraged greater participation and ensured better access to the system for all qualified applicants.

It is clear to me that without the federal financial aid that students at Eastern Michigan University have enjoyed under Title IV since 1965, this university would not be the institution of quality, uniqueness and opportunity that it is today.

Eastern Michigan University is a general state university offering baccalaureate, master's and specialist's degrees in a variety of disciplines. The University's educational focus is on arts and humanities, business, education, health and human services, science and mathematics and technology. Eastern enrolls more than 20,000 students and attained its largest official enrollment ever in the fall of 1984—20,257—making it one of the 81 largest public and private four-year colleges and universities in the United States, according to the National Center for Education Statistics.

Eastern Michigan University serves primarily southeastern Michigan—91.2 percent of its undergraduate students and 89.5 percent of its graduate students are from Michigan and 79.9 percent of its undergraduates and 81.21 percent of its graduate students are from the seven southeastern Michigan counties. However, the University does have a representative student body both nationally and internationally. Some 6.7 percent of its undergraduates and 2.98 percent of its graduate students are from other states while 4.7 percent of its undergraduates and 8.2 percent of its graduate students are from foreign countries.

More than 70 percent of the University's undergraduate students are between the ages of 18 and 23. This year, the average age of an undergraduate student at Eastern Michigan University is slightly younger than in previous years, which is attributable to younger transfer students and younger returning students, although the percentage of new freshmen who are 19 years of age or less declined slightly this year from the previous years. Still, more than 74 percent of the new freshmen are less than 20 years old. The average age of a graduate student at Eastern is 32, and nearly 29 percent of the graduate student are older than 35.

Less than 30 percent of the University's undergraduate students are part-time students, and the percentage of part-time enrollment has been declining over the past five years. Approximately 78 percent of the graduate students are enrolled part-time.

These statistics correlate to the national figures. According to the American Council on Education, 18-24-year-olds made up 62 percent of the college enrollment in 1982 compared to 63 percent in 1978. This means that the majority of our students are either financially dependent on their families or, if they are independent, they are not old enough to have acquired the resources necessary for securing a college education.

During 1984-85, financial aid totaling more than $20 million will be awarded to more than 12,000 students at Eastern Michigan University. This will include nearly $2 million from the University's general scholarship fund, more than $4 million in state funds and more than $14 million in federal funds. Federal financial aid will include $730,000 in Supplemental Educational Opportunity Grants, $1.1 million for the College Work-Study Program, $1.4 million in National Direct Student Loans, $7.5 million in Guaranteed Student loans, $3.2 million in Pell Grants, $45,000 for ROTC Scholarships and $20,500 for miscellaneous scholarships.

Without the assistance of scholarships, loans and grants, many Eastern Michigan University students would not be able to stay in school.

Historically, Eastern Michigan University has enrolled a great many first generation college students, many of whom must work and/or receive financial aid in order to pursue a higher education. As an institution, Eastern Michigan University takes seriously its responsibility as a public institution to make higher education accessible to qualified students. We are proud of this fact which in great part has resulted from keeping our tuition rates among the lowest of all the public colleges and universities in Michigan. We are also proud of the University's general scholarship program which provides nearly $2 million in student financial aid each year.

One of our top institutional priorities is improvement of our Endowment Fund which provides scholarships to academically talented students regardless of need. We fully recognize the need for individual institutions to find ways to provide more assistance to students independent of federal programs. But the need for Federal Student Financial Aid Programs remains critical.

According to the Association for Independent Colleges and Universities, the federal government supports 30 to 35 percent of the cost of higher education. More than 70 percent of all students enrolled at private colleges and more than 50 percent of all students enrolled in a higher education program receive some form of financial aid. Other witnesses will testify to the specific impact of the Federal Student Financial Aid Programs on private higher education and on individual students.

Our task is to emphasize the importance of federal student financial aid programs to ensuring access to higher education to all qualified students.

Without a doubt, the education of the nation's young adults, and the retraining of the nation's adult population, are among the nation's most important endeavors. This great nation has a long and distinguished tradition of providing an opportunity for higher education to all students, not just those who can afford to pay their way. This is a tradition, a value which we must not relinquish.

As chairman of the College Board, I am acutely aware of the strides our minority youth have achieved in scoring well on college entrance examinations. It has taken 30 years, a full generation, to achieve these gains. But we are now on the verge of having a larger pool of qualified minority students ready to enter college at a time when college may become less accessible to them. We must not let this happen, or we risk letting our higher education system become an elitist opportunity for only the financially well-to-do.

It is in the best interests of the nation to reauthorize the federal student financial aid programs in order to ensure access to higher education for all qualified individuals. This is essential if we are to assure our progress as a nation, our role in the world and our future as a society.

There are four specific issues I would like to suggest to the subcommittee for its consideration. They are:

1. The need for validation of financial aid applications;
2. The need to provide incentives for enrollment in teacher education programs;
3. The need to channel student financial aid funds into cooperative education programs rather than unrestricted student loan programs; and
4. The need for financial aid for nontraditional students.

First, validation of financial aid applications would allow us to make better use of currently appropriated funds and would alleviate the need for additional financial aid funds. the 1982-83 Pell Grant Quality Control Study indicated that in the area of student dependency status alone, a six percent error cost the program nearly $64 million. Had the dependency status of those students claiming to be independent been validated, $64 million would have been available to rightfully qualified and needy students.

Eastern Michigan University is one of only two institutions in the state that voluntarily validates all financial aid applications. In part, this is due to the automated systems that allow us to perform this validation. But there are several other institutions in the state with the capability of validation, and nationwide, such a requirement could have a significant impact on the funds available for student financial aid, and would allow us to begin funding the needs for the increasing numbers of adult, part-time learners.

Second, I would urge the subcommittee to consider a means for encouraging students to become teachers. The many national reports of 1984 have clearly indicated a need for improved teaching. What is not so clear is the impending crisis in the new supply of teachers. Consider these statistics from the National Science Teachers Association, the National Center for Educational Statistics and the National Education Association:

Only one out of three high schools in the U.S. has a qualified physics teachers.

More than half of the teachers who were newly employed to teach mathematics during 1982-83 were unqualified, having neither a mathematics major or minor. (In the Pacific Northwest, the statistics are even more startling. 85 percent of the newly employed mathematics teachers were unqualified in 1982-83.)

If the high school students who graduated in 1983 with less than three courses in mathematics had elected one additional mathematics class, the nation would have needed 28,000 more mathematics teachers to satisy that demand.

An average of 129,000 new teachers was needed each year during the years 1978 to 1982. It is projected that 185,000 new teachers will be needed each year for the years 1988 to 1992.

It is projected there will be a four percent increase in K-12 enrollment, from 44.7 million to 46.6 million, betwen 1982 and 1992.

20 percent of the current teaching force is 50 years of age or older.

In 1971, 21 percent of all college graduates with a teaching certificate. In 1981, only 11.6 percent of all graduates earned a teaching certificate.

In 1969, 24 percent of all students entering college expressed an interest in teaching as a career. In 1982, that figure dropped to five percent.

It is imperative as a nation that we develop a strategy for attracting some of the best and brightest students into the teaching profession. I believe that Federal Student Financial Aid Programs can, and should, play a significant role in that strategy.

Third, I would suggest that the subcommittee should consider directing specific funds to support cooperative education aid programs, which are covered by separate legislation. Eastern Michigan University has spent four years developing a model cooperative education program. Cooperative education is a unique educational plan that assists students in preparing for careers. It provides alternating periods of classroom study and on-the-job experiences. Cooperative education brings together the University, the business community and students in a special collaborative effort that benefits each group.

Cooperative education employers benefit by training future employees, reducing recruitment costs and evaluating students prior to an offer of employment. Cooperative education students benefit by earning academic credit while working, applying classroom theory to the work place, earning money to be applied toward college expenses and enhancing their opportunities for employment following graduation. Colleges and universities participating in cooperative education programs benefit through increased knowledge of current business needs and trends, improved community relations and an enhanced ability to meet the contemporary needs of students.

Eastern Michigan University's goal in this area is to provide a cooperative education experience to a majority of the graduates of the institution.

Direct federal student financial aid in support of cooperative education programs would provide significant assistance in the expansion of this most worthwhile educational joint venture.

Fourth and finally, I would point out to the Subcommittee that although the full-time, younger student populaton appears to be holding steady at Eastern Michigan University and nationally, approximately 30 percent of the student body is 25 years of age or older. According to the National Center of Education, this figure will rise to 47 percent by 1990. Nationally, only one out of every five part-time students receives federal financial aid, and many of these recipients are veterans.

The older adult student is typically independent and many have non-liquid assets, such as homes, which often preclude their obtaining federal financial aid. There is a clear need to provide new and innovative assistance to this segment of the student population, which will become an even more important segment in future years. A loan program with repayment based on future earnings collected through an agency such as the IRS might be worth considering.

Congressman Ford, let me conclude by commending you for the role you personally played in reauthorizing the Middle Income Assistance Act. Furthermore, I wish to express appreciation to the Subcommittee for its continued support of federal student financial aid programs. We look with confidence to you as we seek reauthorization of the Federal Student Financial Aid Programs. Let me emphasize that if reauthorization does not take place, 70 percent of the financial aid programs at Eastern Michigan University would be lost. This would affect the ability of approximately 9,000 students at this University to continue their pursuit of a college degree. I am certain that the testimony today, and at other hearings that may be scheduled, will overwhelmingly support our position.

Mr. FORD. Thank you.

Dr. Adamany.

We will withhold the questions until all of you have completed your statements.

Mr. ADAMANY. Thank you very much, Mr. Chairman. I am very pleased to appear here today. Congressman Ford certainly knows our institution as one of its alums, but I will say just a word for Mr. Williams' benefit about Wayne State University.

We are one of the so-called Carnegie 1 research institutions and rank each year in that list of 100 universities identified by the National Science Foundation as receiving and expending the largest sums in the country for research activity.

In addition, we are one of the leading urban universities in the United States. We have approximately 29,000 students. Almost 90 percent of them are drawn from the three counties of the Detroit metropolitan area and it is a rather unusual student body. The average age is 27 years old. Thirty-one percent of the students are married or raising children in their homes. Ninety-five percent commute to classes and 27 percent of the student body are members of racial minority groups, 22 percent being black.

Our graduates, regardless of race or age, are twice as likely as the national average to be the first generation of their family to attend college. With 22 percent of our student body being black men and women, we have more black students at Wayne State than any university, any research university, any university in America except those which are historically black institutions.

With that brief statement about the university, which will be pertinent as I come back to some subsequent issues, I would like to make brief comments about various aspect of the Higher Education

Act. I would like first to talk about college and research library assistance. This is a good program in concept, seriously underfunded.

As to part A, which allows institutions to have grants, the administration of those grants has been an equal amount to each institution. As recently as fiscal year 1983, in fiscal year 1984 and fiscal year 1985, no funds at all were appropriated.

We believe that there are two aspects of title II which need attention. First, we need additional appropriations and second, there needs to be some focus of part A grants on those institutions which have the highest level of need for such funds.

Wayne State University ranks ninth in the Nation among the 105 research university libraries in the number of items that we lend to nonuniversity users. Ninth in the Nation in the number of items lent to nonuniversity users. That is an enormous burden which we are pleased to have as an urban university, but the present provisions of title II do not take into account the extent of utilization of libraries, especially by nonuniversity users in the distribution of part A grants.

As to part C grants, we simply endorse that and make note that in Michigan, our colleagues at the University of Michigan, Michigan State University, and Wayne State University are establishing a common machine-readable data base of the holdings of the three major research universities in the State which will give our colleagues in other universities and nonuniversity users throughout the State access to all three collections by access to a single catalog. We think the part C grants serve an excellent purpose; we endorse them.

Moving, if I may, to title IV and the problem of student assistance, I would make a general remark and then some specific remarks. Extending educational opportunities to all Americans is not merely a democratic ideal, but a practical necessity for progress. Talent and creativity know no social rank or financial status.

Without Federal assistance, academic institutions at all levels would be unable to assure the broad access that is now possible. Not in my testimony, Mr. Chairman, but as an informal remark I would like to make, I had the pleasure at one time in my life of being a visiting professor at Oxford University. The difference between their system and ours is simply striking. Very few people, even in Great Britain, conspire to go to universities. Those that do are almost all from the upper class.

Of the students that I met at Oxford, it was clear to me that there was no minority person from within the British Isles. There were some from the Commonwealth, and in addition, that very small number of working class youngsters who went to Oxford found themselves at an enormous social disadvantage. Identified, of course, by the difference in accent, they were singled out as not belonging there. No one could say that of America's universities. Minority people and working-class men and women increasingly feel themselves to be an integral part of our universities and that has been due largely to the program of Federal student assistance that has made it possible for others—for people throughout our society to have access to our educational institutions.

At Wayne State, 11,000 students, or 38 percent of the student body, receive some form of Federal financial aid. The figures as to which programs support our students are in my testimony; I will not repeat them. I do want to indicate that we have $25 million of Federal financial aid in the institution.

Congressman Williams asked us to comment on the current budget. If the administration recommendations were adopted, Wayne State University would lose $11 million of the $25 million in student financial aid that we presently have, or 44 percent of the funds. Seventy-nine hundred students would be adversely affected.

Sometimes it is said that the institutions ought to help bear a greater share of the burden and I want to say to you that we already have $7.4 million from the general funds of the university committed to student financial aid of all kinds. I also want to comment at this time that the State administration in this State is very responsibly attempting to assist in meeting the needs for student financial aid, and in new proposals that the Governor has pending before the legislature, there are provisions for college work study funds to supplement the Federal program; for an increase in need-based tuition grants; and a whole new program of funding for older, nontraditional and part-time students who increasingly constituted college-age population.

We support the current system of grants, loans and work with the Pell grant as its foundation. However, we believe there needs to be a serious reevaluation of the relationship between those forms of financial assistance. In recent years, the proportion of student financial aid provided through grant programs has diminished significantly while the proportion of financial aid obtained in loans is increasing significantly, thus making a debtor class out of a whole generation of Americans.

I believe this discourages those who are most economically vulnerable, especially minority people and the poor, who are unsure that a college education these days is a guarantee of financial success. But it also is making a debtor class out of middle-class Americans and that strikes me as dangerous for many reasons, not the least of which is that it compels college students to make choices; to enter those professions and activities which are relatively lucrative in order to pay off the high indebtedness which they now have.

It does tend to begger public services; it tends to discourage people from becoming school teachers, social workers, entering any aspect of the professions or of work which relates to public life.

My testimony contains specific recommendations on the Pell Grant Program. I only wish to indicate in my verbal testimony that we very strongly favor the funding of the 1980 amendment Pell grant proposal that is to fund 70 percent of college costs at a maximum of $2,600. We are very concerned that the cost of attendance criteria should be modified to reflect realistic costs for commuting students. The present formulas do not do that.

All of Wayne's Pell grant recipients live off campus. The commuter allowance for students living off campus but not with parents of $1,600 should be established at a level comparable to current budgets for residential students under the Pell Grant Program, since the cost of living on campus is the same as the cost of living in dormitories and there is no difference between those classes of students to the extent that the nonresidential students are independent.

I will not make comments on the supplemental educational opportunity grants; that is in my testimony, as are my comments on SSIG.

On guaranteed student loans, however, we wish to endorse the proposals of the National Association of Student Financial Aid Administrators to increase the limit for student loans from $2,500 to $3,000 for undergraduate students, from $5,000 to $6,000 in the case of graduate or professional higher educations, and from $5,000 to $8,000 in the case of professional students enrolled in the health-related fields.

The student loan origination fee should be eliminated. It was implemented in the Budget Reconciliation Act of 1981 as an interim measure to reduce Federal costs during the period of high interest rates and inflation. Interest rates are declining and inflation is abating.

As to the question of the Federal deficit, I will make a comment on that subsequently.

We very strongly endorse the College Work Study Program and the National Direct Student Loan Program, with minor revisions suggested in my testimony.

As to independent students, we wish to urge that the components currently used to assess undergraduate students' independent status should be retained. The definition of independent should be consistently used for all programs, however. I do want to interject at this time, which is not in my testimony, that the proposals of the administration to treat all students under 22 years of age as dependent students and thus attribute to them the benefit of parental income, even if they are receiving no support from their parents, is surely an illusion in the minds of people in late middle age who attended traditional colleges and have no idea of what America has become and is becoming.

America is becoming a nation of part-time students, of older students, of women returning to enter the work force. It is becoming a nation in which even traditional-aged students are going part-time in an attempt to support themselves, and increasingly, students who are poor and economically vulnerable. The notion that every student under 22 years of age is a dependent student is not a reality in our society at this time and such a policy as proposed by the administration would drive out of higher education those students who ought principally to be the beneficiaries of this legislation.

I will say a word, if I may, about special programs for disadvantaged students. Wayne State University has sponsored one or more of the five so-called TRIO Programs since 1966. We have had excellent experience with these programs. They are part of the reason why we have had a relatively high number of minority students entering the university and succeeding in it.

I will not review with you the provisions of all five of the TRIO Programs. I am very distressed that the administration proposes to eliminate two of them, and thus strike at our most economically vulnerable students.

I wish to make only a brief comment on title VII relating to academic facilities. Federal grants and loans provided $2.8 billion for constructing academic facilities between fiscal year 1965 and fiscal year 1973, after which appropriations for this program ceased. Last year, after a decade of no funding, this program received an appropriation of $50 million. Of the $50 million, $22 million was taken to fund four specific higher education construction projects, leaving the Department of Education with $28 million for academic facilities grants.

However, in the fiscal year 1986 budget, the administration has asked Congress to rescind the fiscal year 1985 appropriation, the first in a decade, and we oppose the rescission.

I want to make the point that there is an urgent need for the upgrading of capital facilities throughout the Nation. The Governors Commission on Higher Education in Michigan conducted a survey of the condition of physical plant in higher education following the recession. The Wayne State picture is a bleak one. The commission certified 155 separate deferred maintenance projects in 59 different buildings at a cost of $26 million. In the State as a whole, the cost of deferred maintenance is $165 million. The deterioration in all higher education facilities across the Nation is very serious. Some Federal help should certainly be available.

Let me emphasize that national—that while our institutions are State-based institutions, our research activity in America in higher education is national in scope and is mainly supported by national resources. At a very minimum, funding should be provided through the Higher Education Act for the renovation and expansion of critical research facilities in colleges and universities.

I wish to say a word about graduate and professional education. The traditional graduate and professional student of the past is now in large measure being replaced by nontraditional students who are attending part time and who are older. In the past, fellowships and assistanceships have not been available to part-time students. Since the influx of part-time students has increased during the 1970's and is expected to continue through the end of the century, financial assistance should be made available to fit the needs of these students as well.

Currently, Wayne State has an enrollment of 9,156 graduate and professional students; 4,500 of them, more than half, are part-time students. Financial aid assistance to graduate students is as important as support for graduate research. The costs of pursuing graduate education are high and are rising and financial assistance is inadequate.

Mr. Ford, I want to especially mention the Graduate Assistance Program Act, which you introduced in the 98th Congress and which would reestablish a Federal priority by assuring talented graduate students are not denied Federal financial assistance that is adequate and would not, of course, deny Federal financial assistance to part-time graduate students. May I hope that that program will be incorporated into the Higher Education Act as it is reauthorized.

Mr. Williams, I might indicate to you that in the discussing of graduate students, programs with which you are presently wrestling are also pertinent. The National Endowment for the Arts has a very attractive program of fellowships, not for new graduate students, but for brilliant young assistant professors. We had the good fortune for one of the members of our English department to win such a grant 3 years ago, and based on that grant, he has been able to publish two outstanding volumes of short stories which have been widely and favorably reviewed, and because he got a good start due to that program, he this year won a Guggenheim fellowship, one of the most prestigious in the country.

So those small seed grants in the NEA are just vital to universities and we hope you will struggle to save them for us. We also have the benefit of having a challenge grant from the National Endowment for the Humanities and that challenge grant is allowing us to fund symposia for our humanities faculty and graduate students, to help them renew themselves professionally, and an honors program in the humanities for undergraduate students. So student financial assistance comes in many forms and we hope that you will see that link in the NEA and NEH appropriations.

I want to just say that we very much hope that Title XI, the Urban Grant University Act, will not only be reauthorized this year, but at long last will be funded. We have, at Wayne State, a remarkable example of how that Urban Grant University Act might work. We have a consortium with the city of Detroit in which both the university and the city contribute a sum annually and that amount is used for consultant fees to provide faculty assistance, technical assistance to city agencies.

It has been a marvelous success and year after year, the two institutions, the city and the university, have refunded it. That should be done on a much wider basis and the Urban Grant University Act provides the format for that.

If I may, Mr. Chairman, I would like to say a word in conclusion and then come to a final issue. The responsibility for the basic operational support of our colleges and universities traditionally has been a function of the States and the States have accepted and performed this role. Those areas of significant national interest, however, such as research and the need to provide access and opportunity for all our citizens are a Federal responsibility which we should not seek to transfer to the States or to ignore.

The American dream of a better life for tomorrow's generation and the needed improvement of our Nation's standing in the world will not be obtained if we do not continue our Federal commitment to education.

Mr. Williams quite correctly asked us how are we to continue the Federal commitment to education and I, Mr. Williams, would like to say a word about that. There is no doubt that we cannot continue with the present level of deficits in Federal Government. They are having a dire effect upon interest rates in this country and on the import-export balance, both of which endanger the Nation's economy in the long term.

I think it is incumbent upon those of us who represent the institutions that provide public service to be willing to say how we should pay the cost of reducing the deficit while providing those services. I am on record elsewhere and I want to repeat here that I believe there should be a program of equality of sacrifice as we deal with the Federal deficit. That means that if we are going to hold appropriations for domestic services and domestic programs constant or below the rate of inflation, we should do so for the military as well.

I also believe that we should not ignore the revenue side in our deliberations. The deficit of $200 billion is, almost to a nickel, the amount of tax reductions we have had since 1981 in this country and so we need to look on the revenue side also to find resources for meeting the deficit program. I can see no policy justification for allowing people who have the good fortune, as I do, to be in the upper middle class in this country, to have tax reductions at a time when we are going to strip out the benefits of our domestic programs to those who are the needy. So, while I am confident that it will be loudly opposed in this country and resisted, not one of us would be injured by a repeal of phase 3 of the benefits to individuals in the present tax reduction scheme. I think it is inconsistent and inequitable to be talking about tax indexing when we are talking about deindexing in Social Security and I hope we will defer indexing until such time as it can be administered equitably to those who are needy as well as those of us who are are going to get tax breaks.

I want to say additionally that while I personally believe that a number of the tax incentives provided to business and industry have had a highly stimulative effect and have been beneficial to our economy, I also believe they do not uniformly have that effect and that we could save considerable money for meeting the deficit by reducing some of the business enterprise benefits that were given in 1981.

If we all held our appropriations constant, including defense, or had only a marginal increase for inflation, and if we had suitable tax reductions—I am not able to calculate these precisely—I was once the State tax commissioner in Wisconsin, but that was years ago—I think that between $50 and $60 billion could be saved by taking what amounts to basically equitable steps for individuals and business on the tax side and we would approach $100 billion if we made suitable cuts in the defense budget and held the rest of us, perhaps, constant until we can get the deficit problem under control.

I think all of us have an obligation to come forward and say how we are to meet these costs, but I can see more justification in national policy for making higher education take a disproportionate share of the burden, which is surely what the Reagan administration policies, as recommended, would do.

[Prepared statement of David Adamany follows:]

PREPARED STATEMENT OF DAVID W. ADAMANY, PRESIDENT, WAYNE STATE UNIVERSITY

Mr. Chairman and Members of the Subcommittee I am David Adamany, President of Wayne State University in Detroit, Michigan. I welcome this opportunity to appear before the Subcommittee today on behalf of Wayne State University to discuss reauthorization of the Higher Education Act of 1965, as amended.

Located in the heart of the City of Detroit, Wayne State University is a public comprehensive graduate/research university which serves a metropolitan area of about 4.5 million residents. Along with Michigan State University and the University of Michigan, Wayne State University was recognized by the Carnegie Commission as one of the nation's 98 principal research universities. More than $20 million annually in externally supported research and development activity is carried on at Wayne State.

But Wayne State is also one of a handful of universities in this nation which is not only a recongized graduate/research institution, but also an urban university. Wayne State University's role as an urban mission university is best captured by the character of its approximately 29,000 students. They are drawn 89 percent from the tri-county metropolitan area and 94 percent from the State of Michigan. They have a median age of 27 years; 31 percent are married and/or raising a family; and 95 percent commute to classes. Slightly more than 27 percent of the students are members of racial minority groups and our graduates—regardless of race or age—are two times more likely than the national average to be the first generation in their families to obtain a college degree. The 6,366 (22 percent) Black students at Wayne State is the largest number of Black men and women enrolled at any college or university in the nation that is not an historically Black college. Wayne State's professional schools such as Medicine and Law also have consistently placed among the highest in the nation in the number of Black students graduating to enter the professional community. And, we can proudly point to recent statistics released by the U.S. Department of Education which show that Wayne State produced a large number of Blacks who eventually earned PhD's (1975-80) than any other college or university in the nation that is not an historically Black institution.

Wayne State's students often come from households which are less able to afford the cost of a university education. Forty-two percent of all dependent financial aid applicants at Wayne State come from families with less than $15,000 annual income. The parental ability to contribute support for dependent financial aid applicants at Wayne State is 52 percent less than at Michigan's other four-year public colleges and universities and 50 percent less than the national average. Consequently a much larger proportion (45 percent) of Wayne State's students attend part-time than is typical of the traditional, residential campus; and 75 percent find the need to hold full or part-time employment while attending the University.

This Subcommittee has long exercised outstanding leadership in fashioning needed reforms that have fostered an expansion of educational opportunities. You especially, Mr. Chairman, have had a profound impact in making this nation's educational system more responsive and more effective. You know, better than almost anyone, that an equal opportunity in life is impossible without access to equal educational opportunities.

Since its beginning, Wayne State has been a university which offered access and opportunity for a higher education to residents of Metroplitan Detroit who because of circumstances in employment, family, or finances really have no other higher education alternative. The Higher Education Act of 1965, as amended, includes a wide variety of programs of institutional assistance, student assistance and services, and programs which contribute to the role colleges and universities play as a community, national and international resource. These programs were developed over the past three decades in response to demonstrated needs and the emerging federal role in postsecondary education.

Today, I would like to offer some comments on specific sections of the Higher Education Act of 1965, as amended, that are of special importance to Wayne State University.

TITLE II—COLLEGE AND RESEARCH LIBRARY ASSISTANCE

College libraries, the backbone of higher education, face increasing difficulty in managing and preserving their collections and sustaining vital services. Large and small libraries have inadequate resources to support changing curricula, to keep holdings current in rapidly changing fields, to improve training in library and information science, to maintain special collections that are valuable national resources, and to address serious deterioration in the condition of collections.

Title II-A should be revised to include a formula for targeting funds to institutions with the greatest needs. Under the current law, Part A allows all institutions, except those receiving grants under Part C, to receive the same grant regardless of need, performance or the size of their endowment. As a result, the Appropriations Committees have not looked favorably upon the program and grants were reduced to approximately $900 per institution in fiscal year 1983. As you know, no funds were provided in the FY 1984 or FY 1985 Appropriations Bills. Previously (in the 1970's) institutions received as much as $7,500.

Targeting funds to institutions with the greatest need would enable grants of more significant dollar amounts which in turn can be used for significant strengthening in the library community. We certainly support all efforts to revive this program which has direct implications on the maintenance of college and university libraries as valued national resources.

Wayne State University's most recent Title II-C grant was a collaborative effort with the University of Michigan and Michigan State University during 1980-83. The project had as its objective the creation of a machine readable data base containing records of the holdings of the serial collections of the three Michigan institutions. As you can imagine, these projects are of major significance to scholarship throughout the country as the collections of major institutions are catalogued and entered in a national data base for direct access by other libraries and scholars, regardless of their location. We strongly support the continuation of the Title II-C program because of the critical role it currently plays in our ability to define and make accessible the specialized resources of the nation's research/resource libraries.

TITLE IV—STUDENT ASSISTANCE

Extending educational opportunities to all Americans is not merely a democratic ideal, but a practical necessity for progress. Innate talent and creativity know no social rank or financial status. Without federal assistance, academic institutions at all levels would be unable to assure the broad access now possible.

The significance of federal student aid programs to students at Wayne State University is demonstrated by the fact that more than 11,000 students, 38 percent of the total student body of 29,000 students at Wayne State, are beneficiaries of one or more federal student aid programs. These cut across all programs, including almost 5,000 in Pell Grants, 545 in College Work Study, 453 in Supplemental Educational Opportunity Grants (SEOG), 1,062 in National Direct Student Loans (NDSL) and 4,332 participating in the Guaranteed Student Loan Program (GSL). Wayne State students receive almost $25 million annually in student financial aid under federally sponsored programs.

The primary focus of federal responsibility under the Higher Education Act should continue to be on the Title IV programs which make opportunities for postsecondary education available to all needy students, including those from middle-income families.

Adequate grant and loan assistance is essential to ensure not only that the talented and needy undergraduates and graduate students have the resources to attend postsecondary institutions approprite to their academic needs and interests, but that they do not have to incur excessive debt to do so. We support the current system of grants, loans, and work, with the Pell Grant as the foundation. The relationships among existing types of assistance should be reevaluated including their contributions to access and choice and the appropriate balance among grants, loans and work-study. In recent years the proportion of student financial assistance provided through grant programs has diminished significantly and is placing an unduly heavy debt burden upon students.

I offer the following comments on the various programs for your consideration during the reauthorization of Title IV—Student Assistance.

A. Pell grant

This program should continue to be focused on helping needy students obtain postsecondary education.

Maximum awards should be increased to reflect rising college costs and should be authorized over a five-year period.

Expansion of the half-cost (percent-of-cost) limit as provided by the 1980 Amendment (to 70 percent at $2,600) should be implemented to conform with increases in maximum awards.

Consideration should be given to add special provisions to meet the need of adult learners and less-than-half-time students.

Cost-of-attendance criteria should be modified to reflect realistic costs for commuting students. Presently, needy students living off campus are permitted a cost-of-attendance allowance (exlusive of tuition) which is usually much less than for those living on campus. For the current academic year, all of Wayne's Pell Grant recipients live off campus. The commuter allowance for students living off campus but not with parents ($1,600) should be established at a level comparable to current budgets for residential students under the Pell Grant program rules. In addition, the $1,100 commuter living allowance for students living with parents has not been increased since the inception of the program in 1972. If this limit had been increased yearly since 1972 just to compensate for inflation, the limit would be $3,600. We recommend that the commuter living allowance for students living with parents be increased to compensate as much as possible for the effects of inflation.

The Education Amendments of 1980 addressed this inequity in the Pell Grant program by allowing institutions to determine the cost-of-attendance for students living off campus (as they do now for students living on campus). However, this provision has never been implemented.

B. Supplemental educational opportunity grants (SEOG)

The authorization levels should be increased and the maximum and minimum awards should be reviewed.

C. Supplemental student incentive grant (SSIG)

The program should be continued and authorization level should be reviewed for adequacy.

D. Guaranteed student loans (GSL)

The loan limits should be increased in recognition of rising educational costs. The National Association of Student Financial Aid Administrators has recommended increasing the limits from $2,500 to $3,000 for undergraduate students, from $5,000 to $6,000 in the case of a graduate or professional student, and from $5,000 to $8,000 in the case of a professional student enrolled in medical, dental, optometry, osteopathy, or veterinary programs, we believe such increases are justifiable.

The student loan origination fee should be eliminated. This fee was implemented in the Budget Reconciliation Act of 1981 as an interim measure to reduce federal costs during a period of high interest rates and inflation. With interest rates and inflation abating, it should no longer be impose as a burden on students.

E. College work study (CWS)

The program authorization should be increased and the allowance for the job locator service should be raised. Especially for an institution like Wayne State where 75 percent of our students must work while in school, it is of tremendous benefit to make employment opportunities available on campus.

F. National direct student loan (NDSL)

The program should be modified to ensure that ownership of the revolving fund is transferred to the schools.

The loan limits should be increased to provide needed loan capital to students who otherwise might not be able to borrow from commercial lenders. These increases are needed due to increases in institutional cost and the problems low-income students have in meeting such costs.

G. Independent students

The components currently used to assess undergradute students' independent status should be retained. The definition of independence should be consistently use for all program.

Graduate students should become eligible for independent status immediately upon entering graduate school, provided that in the year of application all other criteria are met.

To become eligible for independent status in federal student assistance programs, students must be independent of their parents for a full year before applying for aid.

Many students remain dependent on their parents while undergraduates, but for all practical purposes become independent once they enter graduate or professional school. Under current policies, such students are ineligible for consideration as independent students to receive federal support based on need during their first year of graduate study.

H. Special programs for students from disadvantaged backgrounds (TRIO)

Known as the TRIO programs, these special programs provide information, counseling, and tutorial services for individuals from disadvantaged backgrounds to encourage them to attend a postsecondary institution and provide the needed academic assistance to complete their education. Wayne State University has sponsored one or more of the five TRIO programs since 1966.

The Special Programs for Students from Disdavantaged Backgrounds at Wayne State University currently consist of all five programs:

Special Services for Disdavantaged Students, Talent Search, Upward Bound, Veterans Upward Bound and Educational Opportunity Center. For the 1984–85 academic year the University received a total of $910,721 in TRIO grant awards, This funding allowed the provision of services to approximately 4,610 clients at an average cost of $197 dollars per client.

The TRIO Programs have served a diverse population of low-income students who share similar socio-economic characteristics, have related education needs and share similar problems integrating into the campus environment. Program participants have been either students or recent graduates of Detroit's inner city high schools or adults who are usually returning veterans, welfare recipients, or underemployed. The high schools from which the students come have been identified as low income or having significant number of low-income students enrolled. The median family income of these students is below $8,800. According to data provided by the Detroit Public School System's Office of Research and Evaluation, these schools have:

1. High student drop-out rates (31% for ages 16-21);
2. Low percentages of graduates who attend college (8% of the graduates from the inner-city schools attend college); and
3. Large numbers of graduates who consistently score below the national norm on achievement tests.

As you know, the Administration wants to eliminate both the Talent Search and Educational Opportunity Center programs from the budget as part of an effort to cut federal TRIO programs from their present $174.9 million level to $82.3 million in fiscal 1986

Talent Search projects which began in 1966 and will receive some $20.2 million this year were designed to encourage and assist disadvantaged youth to pursue and finance college through federal need-based student aid. Educational Opportunity Centers, established by the Education Amendments of 1972 and now funded at about $9.3 million, promote postsecondary education throughout their communities.

According to a new study recently released by the College Board and reported in the April 18, 1985 issue of "Higher Education Daily", the Talent Search and Educational Opportunity Center programs should be continued and improved. The study, entitled, "Helping Disadvantaged Youth and Adults Enter college," concluded that Talent Search projects provide a "coherent" package of educational services at a low cost per client. Moreover, Educational Opportunity Centers "have succeeded in promoting postsecondary education throughout their communities." Because research indicates that disadvantaged students are far less likely to attend college, that minority student enrollment is declining, and that the number of college age minorities will increase in the next decade, the need for this type of "information, counseling, encouragement and other support service" is underscored, the study contends.

These programs are particularly important to the Detroit area. According to data compiled from the 1980 census by the Wayne State University Center for Urban Studies, the City of Detroit ranks 32nd among the nation's 35 largest cities in the percentage of our population 25 years of age or older who have completed high school. Just 54.2 percent of our people have completed high school. Only Cleveland, Baltimore, and St. Louis stand below Detroit in this respect. Detroit's standing is even worse when you consider the percentage of our population who have completed college. With only 8.3 percent of city residents completing college, Detroit ranks 34th out of the 35 largest cities, with only Cleveland standing behind it.

The Center for Urban Studies also examined Detroit's rank among the 35 largest Standard Metropolitan Statistical Areas, which encompass suburban areas as well as central cities. With 67.1 percent of our population holding high shcool diplomas, Detroit still ranked 24th out of 35 metropolitan areas. And the 14.1 percent of our people who hold college degrees places Detroit 33rd out of 35 metropolitan areas, followed only by El Paso and Jacksonville.

This educational gap is apparently not limited to the Detroit Metropolitan Area. A study released by the National Institute of Education in March, 1984 shows that while Michigan is the 11th largest state in the number of high school graduates per 1,000 persons in the population, it is only 25th in the nation in the number of students in community colleges and four-year universities. Put more simply, despite Michigan's historically high quality system of colleges and universities, Michigan ranks only at the middle of the states in the percentage of high school students who enroll in college.

The TRIO programs provide support services that have proven successful in assisting low-income students to obtain postsecondary education. Yet at current funding levels only a small proportion of eligible students are aided. It is estimated that TRIO now is serving only one in ten of its prospective clients. The Administration's FY 1986 budget proposal would reduce that to one in twenty.

We support the continuation of TRIO programs and expansion of funding as an important component of the federal student assistance programs which afford opportunity for higher education.

TITLE VII—ACADEMIC FACILITIES

The roots of the Title VII program go back to the Higher Education Legislation of 1963. At that time, the major problem facing colleges and universities across the country was one of unparallelled enrollment growth. Consequently, most institutions were concerned with constructing additional facilities to meet the increasing demand. During this period, federal funding for the construction of higher education facilities had a major impact on the growth and development of many colleges and universities. Federal grants and loans provided $2.8 billion for constructing academic facilities between FY 1965 and FY 1973, after which appropriations for this program ceased.

Last year, after a decade of no funding, this program received an appropriation of $50 million. Of that $50 million, $22 million was taken to fund four higher education construction projects, leaving the Department of Education with $28 million for academic facilities grants. However, the Administration in its fiscal 1986 budget proposal has asked Congress to rescind this fiscal 1985 appropriation.

Since the beginning of Michigan's recession in 1979, colleges and universities have had increasingly less flexibility within their operating budgets to internally allocate funds for the special maintenance and renewal needs of the campus. We are critically concerned with the deterioration of our capital facilities. Nor is this situation unique to the State of Michigan or Wayne State University. National recognition of the whole deferred maintenance problem underscore the need for substantial federal funding in order to adequately undertake necessary building rehabilitation. Wayne State's physical plant needs were dramatically illustrated through the results of a deferred maintenance survey at Michigan colleges and universities conducted for the Governor's Commission on the Future of Higher Education in January of 1984. That survey revealed 155 separate deferred maintenance projects in 59 different buildings on Wayne State's campus at a cost of more than $26 million. Without federal funding assistance the facilities at colleges and universities could well deteriorate further due to a general shortage of capital dollars at the private and state level.

With this new and critical facilities problem now facing colleges and universities, it is strongly recommended that the facilities grant and loan programs authorized under Title VII be reactivated with authorizations sufficient to begin to meet the changing needs of our institutions. The loan program currently authorized should be continued with minor revisions and supplemented by a revised grant program applicable to academic and research facilities, inlcuding libraries. The grant program should be expanded and place emphasis on the critical need to renovate academic facilities, including funds to help reduce the backlog of deferred maintenance projects, upgrade research and teaching facilities, and promote energy efficiency.

TITLE IX—GRADUATE EDUCATION

While much attention has been paid to the hardships faced by economically disadvantaged college undergraduates, graduate students and their programs also have fallen on hard times. The cost of graduate education at Wayne University has jumped dramatically in the last decade, while the level of both federal and private graduate support has declined. To meet some of the need, the education community must work on new ways to finance graduate studies.

The need for financial assistance for graduate and professional students is much more acute at Wayne State because of its unique role and mission as an urban university. The typical Wayne student is more likely to come from a low-income family; to be among the first generation in his/her family to attend college; to be an older, nontraditional working student who seeks to succeed in an environment which has not been so kind to his/her parents or peers. Inadequate financial assistance for many of these students means the difference between attending graduate or professional school or not. Thus, many poor and middle-income students are effectively barred from entering professions that require a substantial period of training.

The traditional graduate and professional population of the past (young, directly from undergraduate school) is in many instances being replaced by a nontraditional student who should not be overlooked. In the past, fellowships and assistantships have not been available to part-time students. Since the influx of part-time students has increased during the '70's and is expected to continue through the end of the century, financial assistance should be made available to fit the needs of these students as well. Currently, Wayne State University has an enrollment of 9,156 graduate and professional students, 4,512 of whom are part-time students.

Financial aid assistance to graduate students is as important as support for graduate research. The costs of pursuing graduate education are high and rising. Unless adequate financial assistance is available, the nation will not be able to attract the talented young people it needs into graduate education.

Mr. Chairman, you are to be commended for articulating the concerns that we face in higher education as they relate to financial assistance for graduate and professional students. Your "Graduate Assistance Program Act" introduced in the 98th Congress would reestablish the federal priority of ensuring that talented graduate level students are not denied graduate study because they cannot afford the cost of a post-baccalaureate program.

The National Commission on Student Financial Aid in its 1982 report, "Signs of Trouble and Erosion" identified ten priorities for federal action to improve the quality of graduate education and student access to these programs. Consideration should be given to the Commission's recommendations as a basis for action to address a growing crisis in graduate education.

Wayne State University also strongly supports the continuation and expansion of the Graduate and Professional Opportunity Program (G*POP) to provide broader assistance for low-income students in all graduate disciplines. The levels of graduate stipends should be increased to reflect rising costs.

TITLE XI—URBAN GRANT UNIVERSITY ACT

The Urban Grant University Act is of particular and mutual interest to the City of Detroit, Southeastern Michigan and Wayne State University. We offer our enthusiastic support for this progressive and innovative, yet pragmatic, federal approach toward recognizing the important potential contribution of the urban university, while simultaneously addressing some of the very real needs of urban America. We compliment the Chair for his concern and vision for our urban environs which are embodied in this Act.

The city/university partnership contemplated by the Urban Grant University Act could become one of the most significant and meaningful developments for higher education and urban revitalization during the decade of the 1980's. This act will help to provide the encouragement and the resources so urgently needed to bring the skills, creativity, research, and technology of the urban university together with the city to promote the important renaissance of our nation's urban environs. Just as the Morrill Act joined higher education and rural America together in pursuit of agricultural prosperity, so will the Urban Grant University Act provide the means to accomplish a productive union between the university and the city toward the common goal of urban endowment. We view this act as proposing a relatively small financial contribution as an investment for the nation, which promises a multiple return in the form of educational and social benefits for both higher education and our urban environs.

The Urban Grant University Act, following the tradition of its predecessor Morrill Act, recognizes tht within our universities lies a tremendous resource for addressing the needs of a growing urban America. The urban university offers the analytical and research capabilities to greatly assist in resolving the contemporary problems and concerns confronted in making these urban environs a better place to live and work. Wayne State University and the City of Detroit have already demonstrated that much can be accomplished through their mutual efforts. The City-University Consortium created in 1977 by Wayne State University and the City of Detroit, along with a number of other institutions, is an excellent example of an established mechanism whereby the identified needs of the City of Detroit are matched with the talents of the University to provide research and consultative support. The reauthorization of the Urban Grant University Act could provide the needed resources to permit a maturation, enhancement, and expansion of this endeavor.

Although innovative, the concept of the Urban Grant University Act remains simple and practical. The Act provides the vehicle for building an interrelationship between the City and the University in order that the best of their respective resources and expertise can be cooperatively combined for the benefit of the area.

The Urban Grant University Act authorized in 1980, but not yet implemented, should be reauthorized with minor amendments. We entreat your action and support of this legislation in the reauthorization of the Higher Education Act of 1965, as amended.

In conclusion Mr. Chairman and Members of the Subcommittee, I would like to note that responsibility for the basic operational support of our colleges and universities traditionally has been a function of the states, and the states have accepted and performed this role. Those areas of significant national interest, however, such as research and the need to assure access and opportunity for our citizens are a federal responsibility which we should not seek to transfer or to ignore. The American dream of a better life for tomorrow's generation and the needed improvement of our nation's standing in the world will not be attained if we do not continue our federal commitment to education.

Mr. Chairman, thank you again for the opportunity to present this statement to the Subcommittee today. I would be pleased to respond to any questions the Subcommittee might have.

Mr. FORD. Thank you very much.

Mr. Butts, representing Dr. Shapiro. His statement is in the record, Tom. Would you like to comment or highlight any part of it?

Mr. BUTTS. Thank you, Mr. Chairman, Mr. Williams. I am pleased to be here. Dr. Shapiro was most unhappy that he could not appear today and asked me to summarize his statement for him. Also with me in the audience is Mr. Richard Kennedy, our vice president for Government Relations.

Mr. Chairman, in large measure, the Higher Education Act has served to define the Federal role in postsecondary education. The Federal Government's role in higher education remains grounded in the Constitution, but like so many creative aspects of our society, it has evolved from time to time to reflect the diversity, complexity and dynamism and interdependence of our society.

This capacity for creative evolution is a distinctively American characteristic that has served our country very well indeed, as has been pointed out by Dr. Porter and Dr. Adamany.

The Federal Government has long recognized that education is vital to achieving our national and international goals, and in recent years, the Higher Education Act has served as a construction framework in helping our Nation to accomplish its objectives.

In particular, the student financial aid programs grew to become one of the principal vehicles for Federal support for higher education. They will prove to have been of historic importance in reinforcing a national policy that an educated citizenry is essential to our form of government and that education is a sound investment to our future economic and social well-being. It is wise, therefore, that you are continuing your leadership to examine these programs from time to time and to look at ways in which the Federal role can be improved.

Over the past several years, the Higher Education Act has become the central focus for access to higher education and individual choice among institutions. Our attention centers on this particular piece of legislation because, whether by conscious policy decisions or budgetary accidents, the Higher Education Act has become almost the sole vehicle for Federal assistance to student. In the past few years, we have seen the termination of student Social Security benefits, a vast change in the GI bill, virtual elimination of health profession programs, and perhaps most significantly, the decline of graduate support in the mid-1960's and early 1970's due to the phaseout of NDEA fellowships.

As a consequence, the Higher Education Act has become the major vehicle for defining the Federal role in education. The current Federal Government assistance programs for students have evolved to the point where access can virtually be assured for a single qualified student planning to attend a relatively low-cost institution. With respect to choice, the Federal Government's role has been historically to work in combination with private and institutional support in order to make it possible for students from low- and modest-income backgrounds to attend high-tuition institutions.

I say "high tuition" because, as a public university, the University of Michigan is, indeed, one of the highest-tuition institutions in the country and the State of Michigan, as a whole, pursues a high-tuition policy. In recent discussions over the budget, implications seem to have been presented through the media that somehow the Federal Government has been funding choice, and the point I want to make is that that has never been the case; is not presently the case; and the role of the Federal Government has been to supplement and to make possible students' ability to attend various-priced institutions.

Over the past few years, we have also seen that the students and the parents' responsibility to pay for postsecondary education has continued. Historically, that has been the first responsibility in paying for higher education and we have not seen a drift in that role in recent years. The balance, however, of the Federal Government's role in supporting higher education has taken a shift about which we have serious concern.

The amount of loan and debt burden that students face now has taken a significant drift and our concern that the increase in the mortgaging of future earnings may have serious career choice implications for our students. We are concerned that students will be forced, because of high indebtedness, to choose high-paying careers over those with low-paying careers.

At the University of Michigan, the switch between 1972 and 1982 shows about a 592-percent increase in loans. Grant aid has increased about 70 percent.

This change, which is a result, perhaps, of appropriation policy, rather than authorization policy, as I say, is a matter of serious concern to us. In fact, in 1980, this committee and the Congress stated that it was a national policy goal that 70 percent of the cost of education should consist of grant and family contributions for undergraduate students. At the graduate level, we have virtually ignored the need for grant and fellowship as a national priority, particularly, Congressman Williams, in the arts, humanities, and social sciences.

You will notice from the chart attached to President Shapiro's testimony that there was a significant decline in Federal grant support at the University of Michigan between 1967 and 1972. That was due to the phaseout of the NDEA Fellowship Program, and while Federal grant aid has increased and recovered to some extent, that aid is targeted primarily on undergraduate students.

For these reasons, I hope sincerely that support for graduate education can receive a high priority in this reauthorization. The bills that you, Mr. Chairman, and Mr. Coleman introduced in the last Congress define the need and suggested approach. I know that the higher education associations have been working for a number of months on making recommendations to you in this regard and we hope that they will receive serious consideration.

Also, as you know, the higher education associations strive mightily to meet your deadline to have recommendations to you and we are looking forward to analyzing those in particular. I would commend to you, perhaps, a definition of the independent student that the American Council on Education is planning to—has included, I believe, in their recommendations.

Finally, with respect to student assistance, we would like to echo our support for the TRIO Programs and assistance programs for—that assure that students from all backgrounds have the opportunity, not only to enroll in education, but the opportunity to graduate. To that end, we would also urge you to give some consideration in the reauthorization to developing early intervention programs to help identify talented undergraduate students who have potential for graduate education.

I would like to echo Dr. Adamany's concern for support for the Library Programs, in particular, a targeted program in part E to assist libraries that have need for additional acquisition would be important. Particularly, as he also pointed out, the research library section of the law, part C, has proved to be useful and perhaps encouraging further development in the state of the art with respect to technology and libraries would be a helpful thing for you to give serious consideration to in the higher ed reauthorization.

We also believe that title VI, international education, plays an appropriate place in the Higher Education Act and that, indeed, funding international education is a Federal responsibility. We have been fortunate at the University of Michigan to have several reknowned centers for area studies in foreign languages and these programs have served to provide a number of useful purposes. At the moment, we have been working with the Great Lakes College Association to identify ways in which outreach and cooperation can be developed with the liberal arts colleges in the region.

Also, the part B, dealing with Business and International Programs, has been useful. Presently Japan Center has a grant working on export issues. The facilities matter, which has also been referred to, is also a matter of great concern to the University of Michigan. It is one thing to be able to offer access to the Student Assistance Programs; it is important that the academic facilities and equipment be such that our faculty are able to offer a quality education to the students while enrolled.

We are also pleased this year to see for the first time in many years a $28 million appropriation for title VII, and while compared to the need, that is not great—we have over $15 million in deferred maintenance alone at the University of Michigan—the principle is very important. These funds are now available for institutions to compete on a peer and merit basis. In recent years, the situation has become so desperate, and the outlook for reliefs so poor, that a number of institutions have had to take to seeking earmarked funds through the congressional appropriation process.

We think that merely reflects the nature of the problem and would hope that during the reauthorization that you can take steps to seriously address this problem for us.

Once again, thank you for including us on the program today. I know that the President looks forward to working very closely with you during the coming reauthorization.

Thank you.

[Prepared statement of Harold Shapiro follows:]

PREPARED STATEMENT OF HAROLD T. SHAPIRO, PRESIDENT, THE UNIVERSITY OF MICHIGAN

Mr. Chairman and members of the subcommittee, I am Harold Shapiro, President of The University of Michigan, and I am pleased to have been asked to appear before you today to share with you my views on the pending reauthorization of the Higher Education Act of 1965.

Mr. Chairman, in large measure the Higher Education Act has served to define the Federal role in postsecondary education. The Federal government's role in higher education remains grounded in the Constitution, but like so many of the most creative aspects of our society it has evolved over time to reflect the diversity, complexity, dynamism and interdependence of our society. This capacity for creative evolution is a distinctively American characteristic that has served our country very well indeed.

The Federal government has long recognized that education is vital to achieving our national and internatinal goals and in recent years the Higher Education Act has served as a constructive framework in helping our nation accomplish its objectives. In particular, the student financial assistance programs grew to become one of the principal vehicles of Federal support for higher education. They will, I believe, prove to have been of historic importance in reinforcing a national policy that an educated citizenry is essential to our form of government and that education is a sound investment in our future economic and social well being.

It is wise for the Congress from time to time to review the condition of higher education, evaluate the responsibility and policy of the Federal government in this sector and refine the various programs that carry out Federal policy goals.

In my statement today, Mr. Chairman, I would like to outline some of the basic principles and concerns that I hope the Subcommittee will keep in mind as it proceeds through the reauthorization process.

ACCESS AND CHOICE

Over the past several years we have seen the Higher Education Act become the central focus for addressing the question of student access to higher education and individual choice among various institutions. Our attention centers on this particular piece of legislation because, whether by conscious policy-decisions or by budgetary accidents, the Higher Education Act has became almost the sole vehicle for Federal assistance to students. In the past few years we have seen the termination of student Social Security benefits, a vast change in the GI Bill, virtual elimination of the health profession programs, and, perhaps most significantly, the decline in graduate support in the mid-1960s due to the phase out of the NDEA fellowship programs.

As a consequence, the Higher Education Act has become the major vehicle for defining the Federal role in Higher Education.

Current Federal government assistance programs for students have evolved to the point where access for qualified students can be virtually assured at institutions with relatively low tuitions. Further, Federal support, in combination with institutional, private or state support, can make it possible for qualified students of low or modest means to attend the higher tuition institutions. It seems to me that this strikes a fair public policy balance. Federal student assistance has had and must continue to have an important role to play in the area of student choice. Mr. Chairman, I use "high tuition" rather than "private" or "independent" to remind you that many public institutions, including my own, due to particular state policies fall into the category of "high tuition".

Finally, anything the committee can do to help make the financial aid delivery system operate in an efficient and timely way will help to assure that the goals of access and choice are achieved.

BALANCE BETWEEN GRANT, LOAN, AND WORK PROGRAMS

Over the years the student and the student's family have had the first responsibility for paying for higher education. That role has not changed. However, the availability of supplemental assistance in the form of grants, part-time work and loans certainly has. In part, the question of the Federal role in student assistance is defined by the type of aid available after the efforts of the student and family have been taken into account. The relationship between the amount of grant, loan and work assistance, in part, defines the nature of the Federal role in higher education at any given time. The extent to which we decide to mortgage the future earnings of our graduates states what we judge to be the value to society and the value to the student of the education provided. The greater the indebtedness the student has, of course, the more likely that person's career choice will be guided by monetary considerations alone. While this may not be wrong, it has certain broad social implications of which we should be aware when we move to expand the ratio of grant to loan assistance.

At The University of Michigan, we have seen a marked increase in the amount of loan and work study assistance our students must assume. Between 1972 and 1982 that amount increased over 592 percent while grant aid increased by only 70 percent.

This is a result of change in appropriation policy rather than authorization. In fact, in 1980 the Congress stated that it was a national policy goal that 70 percent of the cost of education should consist of grant and family contribution for undergraduates. At the graduate level, however, we have virtually ignored the need for grant or fellowship assistance as a national priority, particularly in the arts, humanities, and social sciences. You will notice from the attached chart that the relationship of grant, work and loan at the University declined significantly between 1967 and 1972 when the NDEA fellowships were phased out. No programs have been developed in the interim to replace that aid in any substantive way.

For these and other reasons, I sincerely hope that support for graduate education receives a high priority in this reauthorization. The bills introduced by you, Mr. Chairman and Mr. Coleman, in the last session offer a constructive approach to addressing this issue. The higher education associations have been working for a number of months to attempt to refine the good ideas contained in both bills and I hope you will give careful attention to their proposals. I believe these proposals will also include expansion of the existing Title IX graduate programs, including the National Graduate Fellowship Program.

Finally, although the University does not directly participate in the Trio programs, we believe that support programs for disadvantaged students are an important component in helping to assure that all motivated and qualified students are able to enroll in higher education and, most importantly, graduate. We also believe that an early intervention program to identify and assist talented potential graduate students should be considered during the reauthorization.

The student financial assistance programs, of course, are the largest part of the Higher Education Act, involve the most dollars, and directly affect the most people. Consequently, they receive the most attention. There are, however, several other important programs in this act, and I would be remiss if I did not highlight their importance at this time.

LIBRARIES

The exchange of information in the academic area is indeed a national matter since knowledge and ideas cross all state lines. One way of assuring such exchange is through libraries. Also, the problem of book disintegration is beyond the state's ability to handle. The University has been fortunate to be able to participate in the Library programs authorized under the Higher Education Act. The computer network developed at the University under Title IIC, Research Libraries, has made an important contribution to the library profession. We are also supportive of further initiatives to improve library technology. In addition, the fellowships provided under Title IIB have been particularly helpful to our minority recruitment programs. The effectiveness of these programs is limited only by the amount of the appropriation available.

INTERNATIONAL EDUCATION

We believe that the Federal role in international education is clear. We have been fortunate at the University of Michigan to have several renowned centers for area studies and foreign languages. These centers have been funded in part by Title VI of the Higher Education Act and we look forward to improved legislation as part of the reauthorization process. We believe that increased use of the centers through outreach to other institutions can be particularly constructive. To that end, our centers have been working with the Great Lakes College Association (GLCA) to improve the way in which the centers assist liberal arts colleges. We have also been particularly pleased with the success of the support we have received under Title IIB Business and International Education. Our Southeast Asia Center had a grant which enabled the State of Michigan to work more closely with firms doing business in Southeast Asia; and, presently, our Japanese Center is engaged in similar activities.

TITLE VII FACILITIES

Mr. Chairman, there is a great need for Federal assistance in improving and renovating the teaching and research facilities of universities across the country. It is one thing for students to be able to enroll in higher education; it is quite another to offer the kind of quality programs with appropriate facilities and equipment to do a proper job of education. In the last 10 years the lack of adequate funding for maintenance and equipment acquisition has created a major problem for most universities, including the University of Michigan.

We were pleased to see this year that $28 million was appropriated under Title VII for facilities renovation. This is the first time in many years that general funds have been made available for which institutions can compete on a peer-reviewed basis.

The situation has become so desperate and the outlook for relief so poor that some institutions have taken to seeking facilities assistance through the appropriation process. This activity seems to have expanded significantly in recent years and merely reflects the fact that we have a serious national problem.

I hope that you can take major steps in this reauthorization to find ways to help higher education address this problem.

In summary, I want you to know that we appreciate your continued leadership and that of the members of the Subcommittee in addressing the needs of postsecondary education.

As always, we will be glad to cooperate fully with you. I would be glad to answer any questions you might have at this time.

TABLE 1.—THE UNIVERSITY OF MICHIGAN—FEDERAL, STATE, AND UNIVERSITY FINANCIAL AID FOR ALL CAMPUSES IN FISCAL YEARS 1962, 1967, 1972, 1977, AND 1982

	1962	1967	1972	1977	1982
Federal:					
Grants	107,000	2,230,000	1,088,330	2,691,236	4,892,267
Work study (100 percent)	0	0	794,670	2,046,764	2,394,733
Loans	277,000	2,544,000	3,315,000	5,714,000	7,538,000
Nonuniversity GSL's	80,000	385,000	1,749,000	4,665,000	39,596,000
Federal total	464,000	5,159,000	6,947,000	15,117,000	54,421,000
State:					
Grants	0	676,000	1,316,000	1,776,000	2,062,000
University:					
General fund	0	0	5,345,000	10,045,000	14,656,000
Expenditures restricted	1,452,000	8,335,000	11,930,000	9,601,000	11,384,000
Designated funds	0	0	5,000	323,000	241,000
Auxiliary funds	0	595,000	885,000	535,000	1,884,000
Student loan	1,132,000	1,068,000	1,637,000	3,832,000	2,357,000
University total	2,584,000	9,998,000	19,803,000	24,336,000	30,522,000
Totals:					
Gift aid	1,559,000	11,836,000	20,570,330	24,971,236	35,119,267
Loans and work study	1,489,000	3,997,000	7,495,670	16,257,764	51,885,733
All Sources—grant total	3,048,000	15,833,000	38,066,000	41,229,000	87,005,000

Sources of information.—University Financial Reports, State Financial Aid Office.

Mr. **Ford**. Thank you very much.

Looking quickly at the facts that you mentioned in Table 1 showing Federal, State, and university categories of assistance, where you compare 1962, 1967, 1973, 1977, and 1982. The Federal totals went from $464,000 at the University of Michigan in 1962 to $54.4 million in 1982. When you look at the State grant, you went from zero in 1962 to $2 million. So quantitatively, I guess that is the biggest increase, but there is not a whole lot of State money coming in there.

Then you look at the university resources; you went from 2½ million to $30.5 million. Loan and work study figures went up very dramatically. We have, I believe, already obtained from each of the institutions that you gentlemen represent, as well as from Michigan State, an analysis of the present student body and the implications of the budget recommendations with respect to that student population.

Mr. FORD. Dr. Porter, you mentioned that what you would like to see is improved verification or validation. Do you have anything specific in mind with respect to what the statute ought to say?

Mr. PORTER. Mr. Chairman, we do, and in the time constraints that we have before you, and since Mr. Courtney McAnuff, our director of financial aid, will be presenting more details, I will defer until his presentation and then he will provide in his testimony the details for the need for validation and the process and recommendations.

Mr. FORD. One kind of general question, and I am merely asking for the benefit of your intuition based on your experience. One of the problems that we will be clearly wrestling with—and it jumps right out when you hear the kind of questions that are asked by the newer members of the committee—is this question of what is an "independent" student.

Since 1965, we have been trying to write the perfect definition of the independent student. We have a very imperfect system now that uses a copy of a family's 1040 for the preceding calendar year, tax year, which, in many cases, is not very relevant and doesn't indicate the true measure of family commitment to the support of the student.

You have mentioned the arbitrary use of age and we have had substantial testimony from a variety of sources about the way in which that would impact on people who are truly dependent, for example, parents who haven't reached their 22d birthday yet.

Now, Tom, you mentioned the recommendation of ACE. It is parallel to NASFAA's recommendation. As I understand it, you use the age 21 and then you provide criteria by which you would exempt someone from the 21-year requirement, such as being a parent and things of that kind.

I have been searching around for the idea of trying to figure out how we would write a minimal structured criteria to be applied at the campus level; people who could, on an individual basis, make the determination as to whether or not a specific student was, for the purposes of education, truly independent.

That is not going to be easy to solve, naturally, because there is kind of a natural suspicion that you would fudge. However, Dr. Porter, in talking about validation, points out that what he wants to do with validation is not cut down the cost of the program, but reallocate the resources to the people who really need them. That seems to me to be what we were trying to do in determining true independence.

Off the tops of your heads, all three of you, if we were to write a set criteria, would your admissions people be likely to move with the motivation that Dr. Porter talked about or with the idea of just bringing more money in by a loose interpretation of the independent student?

Mr. PORTER. Congressman, my two colleagues will speak to that, but the reason I am concerned about the need for validation is that, as Dr. Adamany indicated, if we are going to recommend, and I did as my fourth point, financial aid for nontraditional students, which means opening up Federal funding for part-time students and those that would have some assistance conceivably, I think we have to have validation in it. I just make the point that I think we can't say that we want to open the system up further without also working to propose some means of validation for redistribution of funds to those who really need them.

Mr. BUTTS. Mr. Chairman, I think it is crucial that the funds go where the Congress wants them to go and accuracy in data is of prime concern. One of the difficulties, of course, of the current definition of independent student is that it requires—has a tax criteria, but it also asks whether the parent has contributed more than $750 in the last year and whether or not the student has lived at home. Study after study has shown that there is an enormous amount of error built into that particular definition, causing a great deal of effort to try and make sure that, indeed, the independent is independent.

The proposal that is proposed, I believe, by the American Council on Education, which is the one from the National Association of Student Financial Aid Officers, says, in effect, that if you are under 23 years of age, you are a dependent student, unless you are a ward of the court, an orphan, you are married or you have dependents, or you are a veteran. If you fall outside of one of those categories, then if you are in that under-23 group and the financial aid officer, after looking at the circumstances of the family and so forth, can justify in that person's professional judgment that, indeed, the person should be considered independent for the purpose of the Federal aid, they can make an exception. So there is room in there for the unusual circumstance.

Above age 23, where most of our nontraditional students fall, they would, by definition, be independent students under that proposal and their contributions would be calculated in accordance with the need-analysis rule. Graduate students would also automatically be independent under their proposal.

Mr. FORD. Dr. Adamany.

Mr. ADAMANY. I do have a little trouble with the creation of a presumption that people under 23 or 22 are dependent unless proven otherwise. So many of our students come from homes where the student is really independent in terms of providing a large measure of self-support, even in high school, and certainly in college. I am troubled about creating a process of application which is too burdensome.

I myself don't mind the deductibility as a test. That seems to me to be quite reasonable. Getting statements from parents about the level of their financial support to their children while they are in college seems to be quite reasonable. The problem of living at home is a different one. There is a return to that in America and in many cases, of course, the student living at home is paying for room and board now because, under the present circumstances, they can't afford to have separate housing.

But I am a little concerned about creating a presumption. I start from the other view, which is that the presumption should be in favor of educating people and that the tests should all work to carry out that assumption of national policy. I think asking people to file suitable evidence of independence is fine; I think creating a presumption that they are not independent is not so fine. Even though our national associations say it is fine, I don't happen to share that view.

They are, after all, more traditional institutions, and their vision of what is going on in America is not necessarily our vision in the heart of the city. I do want to say one other thing, that I could not give you an assurance that the financial aid officers would not tend to bend over in the direction of declaring students independent if that is what was necessary to allow them to go to school. We would do our best to monitor that, but the job of the financial job officers is to make education accessible to people, and of course, they are going to err in that direction.

We would have to monitor that closely, but—let me just put it to you another way. We have a whole nation based in large measure upon the fact that people are honest and we can trust them. We do that in the filing of taxes. In large parts of the Nation, there is no registration system in voting; you just go to the town hall and vote, especially in the rural areas. The assumption is that people are generally honest and that we can trust our citizens to help conduct the public's business by individually bearing responsibility. I would like us to write legislation in the area of education that continues that assumption about the way we govern ourselves and requires necessary documentation. I don't like presumptions which have built into them the assumption that we now conclude that Americans are dishonest in their relations to the Government and can't be trusted.

Mr. FORD. Dr. Adamany, I would personally subscribe to everything you just said, but as chairman of this committee, I am intrigued by an offer of the way to work this out coming from ACE and NASFAA from the pragmatic side because, indeed, what I am dealing with is an environment in which we have very prestigious people in this country saying that kids are ripping off the system.

Almost invariably when somebody talks to me about student loans, it will be "Why don't they pay them back," and I tell them that we have a 5-percent default rate on a $34 billion outstanding debt for guaranteed student loans and they won't believe it because they know. It is part of the folklore. They just know that people aren't paying off the loans. The facts are different.

When Mr. Butts was in his other reincarnation as deputy assistant secretary in the previous administration, he remembers that I had serious fights with that administration over that very issue until we finally got them to understand the difference between the various kinds of loans and, indeed, it was during that time that, for the first time in the history of these programs, the department started to try to collect loans. There never had been any effort, and to me, it was absolutely amazing that we were collecting an unsecured debt from all these people for all these years without ever asking them for the money.

Hardly any of us pay bills which we don't get. Only the disciplined amongst us. We found, for example, much to my surprise, that the students with big default rates in direct student loans, were not coming from the Michigans, the Waynes and the eastern Michigans, but were coming from the small, frequently church-related schools where that school did not have a business office that was capable of dealing with the business of processing and handling loans. They had no capacity for that and we thought that back in Tom's time and again with this administration through an arbitrary cut-off for institutions to try to encourage them—I think it originally started during the Carter administration—of setting up a criteria of default rate and say, "You are not going to get anymore direct student loan money unless you get down to business."

My own feeling is that the institutions which were weak in this regard have, as a result of that activity, strengthened themselves and, in fact, are doing very well.

Before turning to Mr. Williams, I would make one other observation about the comment on the indebtedness. You have mentioned that we are creating a debtor class and then you come at me with something else; you said we should let them borrow even more money. I have great difficulty with that, primarily because we had watched, over the years, the value of the grants deteriorate against the increased cost of education, while a proportion of the package coming from indebtedness on the student has increased. It is a wild disproportion.

When I think about the impact on my own automobile industry here in Michigan of having $34 billion owed on guaranteed student loans by people who ought to be borrowing money to buy new cars or new homes, it begins to make some sense that we have, indeed, sort of put those people out of the consumer market for a period of time. After they have been out of school and if they are fortunate enough to start making enough money to pay that and still incur other indebtedness, fine. But a young couple coming out of college today, if they have the good fortune to meet the love of their life in college and both of them are getting loans, it is not unusual to encounter people with $30,000 or $40,000 in debt between them when they start their life together. They are not going to be in the market for a home or an automobile or anything else because no banker who looks at their credit statement and sees that outstanding indebtedness is going to let them borrow money to do that.

We already are seeing the impact of this indebtedness. Now, as a practical matter, there is no way for us to really reverse that trend with dollars, but it continues to be a big problem. If you take the $4 to $5 billion that is outstanding on direct student loans and add it to the $34 billion, you realize that we have an impact presently on the overall economy of nearly $40 billion in debt that was incurred solely for the purpose of purchasing education.

That is a pretty substantial price to put on a generation of people in this country, the same generation, incidentally, we are going to ask to pay our $1,800,000,000,000 national debt, or pay the debt service on it, at least, which very shortly will reach $200 billion a year.

It is just as bad for us to be pushing people more and more into debt as it is for us to be incurring the debt ourselves. There is a scarcity of available dollars out there, and one way or another, we put pressure on it and reallocate resources, forcing people into situations where they can't afford, as Dr. Adamany said, to contemplate public or community service for any period of time after school.

If we were trying to start the legal services program today the way we started it in the 1960's, it wouldn't work because young lawyers coming out of school who are the kind of young lawyers who would be motivated to participate in that program could not afford to come with us. We had, in the 1960's, a very good supply of highly committed young people who gave 1 year or 2 years out of their lives. They gained some professional growth out of that, but they worked for peanuts, for bare subsistance, and made a lot of changes in this country. But I don't know that those same people that were recruited then, coming out of school today, would be available to us because they couldn't take the chance. They couldn't accept the responsibility of further delay in obtaining gainful employment with a decent return.

This philosophical dichotomy that I get involved with here makes it very difficult. On the one hand, you want to be generous and provide more resources. With the Pell grant student, we have examined them inside out, but with the student borrowing money, we have had an attitude pretty generally of, since you can't borrow enough for a full year's education to begin with, go ahead and borrow the money because you are going to pay it back. I am a little worried about where that has taken us. Maybe, as a price for going to $3,000 and $6,000 tops, we may have to get some kind of a needs analysis that goes back at the student, to have the student sit with a wiser head in the student aid office and contemplate what the ultimate price of that additional money is and maybe be a little bit more modest in using that particular resource.

I don't suggest that as a way to save money in the program; I suggest it as a way to get around this problem that you have enunciated and that has bothered us for a number of years.

Mr. Williams.

Mr. **Williams**. Thank you, Mr. Chairman.

Dr. Porter, in your testimony, you reminded us that we have a problem of quality among American's teachers. You pointed out that only 1 out of 3 high schools in the United States has a qualified physics instructor; that more than half of the teachers that were newly employed to teach mathematics during the 1982-83 year were unqualified, having neither a mathematics major or minor; and you also noted a statistic that I found to be alarming, and that is that toward the end of the decade of the 1960's, 25 percent of entering college students were considering teaching. Today, that is down to about 5 percent.

You urge the subcommittee to consider means for encouraging young people to become teachers. One of the strategies, apparently, is through the public student financial assistance. Are there other strategies that you would encourage us to think about?

Mr. **Porter**. Certainly the most critical strategy—it would be difficult for the Congress to respond to—and I think what historically has put us in this situation is the male-dominated society that allowed women to be the majority in the teaching profession until recently, and therefore, have that as a system which is no longer competitive with the kind of society that we have created.

We do not have the—given the deficit and the budget-cutting and all of the other problems—the means of increasing the salaries of teachers to a level of competitiveness, but I think in a bid to be incentives that I suggested on pages 7 and 8 that are needed in terms of student financial aid program, I think that there are two other proposals that you might want to consider, neither of which—as I put in my testimony. One would be to have a Federal-State incentive program for those people certified by the colleges to receive, as we do with people moving into the medical profession for internship, a stipend that would be similar to some other Federal programs that you have in the employment area with State government. I think that that would go a long way to getting some people to consider teaching, at not the full opening salary of $18,000 or whatever. I think that would be a good investment.

The final thing that I think is essential is for the Congress to authorize—which has never been done—a very serious study of what is going to be necessary for the teaching profession in this country to become professional and maintain competition with the high technology that we are moving into.

I think that through this reauthorization language, if you want my comments, I think to authorize that, given the "Nation at Risk" and the 35 other studies that came out, that you ought to commission such a study to determine for the public record what is really going to be necessary to overhaul the conditions in public education in order for people to be more in tune and also more receptive to going into the profession.

I would put that in the legislation, if you are asking for my recommendation. Those would be the two areas.

Mr. **Williams**. Thank you.

Mr. **Adamany**. Mr. Williams, excuse me. Can I say a word about that?

I have suggested elsewhere that if we are to greatly increase the number of graduate assistantships in this country, which we need to do—we once had about 51,000 federally funded graduate assistantships; we are now down to 9,000 or 10,000—that it might well be that in mathematics and science, part of the years of assistantship should be not teaching in college or serving on a research team, but putting in 1 or 2 years to give assistance in the public schools in those areas where the student is unlikely ultimately to be a public school teacher, math, physics, chemistry. Especially in urban areas like Detroit, the principal university there might very well be able to put well-trained people into the schools as part of a restoration of graduate assistantship programs at the Federal level.

In addition, it seems to me, ultimately we will have to recognize the fact that a single-salary schedule for every teacher is not going to serve us well and that we are going to have to have premiums or attachments or stipends of some kind, especially for areas of high demand, such as mathematics and science.

Mr. **Williams**. Doctor, I appreciated your focus on the budget and how we might move even more dramatically to resolve this deficit problem. I noted that you called for an increase in taxes. If elections are a reflection of the popular will, then last November told us that people in every State in the Union, with the exception of Minnesota, including this State, voted for the candidate for President, who, if he had one linchpin in his platform, it was no increase in taxes. That seemed to be the overwhelming majority of opinion.

I am hopeful that in the budget resolution, we can place an assumption of $5 or $9 perhaps, billion in a corporate and wealthy minimum tax. I don't think the President would oppose having some corporations that pay no tax, at least pay a minimum, but that is probably the only tax increase that we can get through.

Mr. Butts, when you were—I suppose I should say because of your service in Washington, you recognize the importance of Presidential statements and statements of Secretaries of Education. Although I am not very enamored with the Reagan changes, the Reagan revolution—that may be overstating it some to call it a revolution, but I clearly think that the President has moved America on the road to some significant change.

One of them, perhaps, was expressed by the new Secretary of Education the other day. I would like you to comment on this. Secretary Bennett said, "I have some problems with the notion that the Federal Government has a responsibility to assure that every student can go to the school of his or her choice. It seems to me too that it has been ingrained in the American conscience for at least the past decade and a half that the Federal Government—that is, all of us—do have some responsibility to those students who wish to go on to college.

We now have an administration, extremely popular, saying, "That isn't so." How do you respond to that?

Mr. **Butts**. I think the statement that we have, in effect, been funding choice is not accurate. Because that statement is made over and over again, especially in the last few months, people come to believe that, indeed, Federal student aid policy has funded choice. In fact, Federal student aid policy has never provided, either through the authorized amounts, or certainly with the appropriations available, sufficient funds that a person could be an out-of-State student at the University of Michigan from a $20,000-family-of-four background or go to a high-cost private universities. The dollars have simply never been there and it is incorrect to make that presumption.

Access, indeed, has been a Federal policy and a case, I think, can be made that access has, to some extent at least, been achieved through the combination of family contribution and Federal student aid. In order to attain choice at the higher-cost institution, it invariably requires institutional aid, State student aid, and help from the private sector in concert with the Federal dollar.

Mr. **Williams**. Thank you, Mr. Chairman.

Mr. **Ford**. A final question, already in testimony, and particularly with regard to Minnesota and Iowa and Illinois, we have heard that there is more and more pressure on students—and this touches on this question of choice—to leave the higher-cost, private institution and go to a public institution. Some students at St. Olaf College in Minnesota did a survey on a head-by-head basis of the students at St. Olaf, which is, for Minnesota, a relatively high-cost institution—and asked them, what will you do if the budget were to go into effect? In that relatively small school, 200 of them indicated that they would transfer to the University of Minnesota. Because of the way in which Minnesota supports its public institutions, you can attribute a per-capita cost rather easily. This turns out, in this instance, to be $4,000 for each additional student that shows up at the University of Minnesota.

So they are able—with the ingenuity students—to demonstrate that there would be a significant shift of the burden to the taxpayers and State, assuming that they were going to continue to support their institutions like the University of Minnesota at the same level. We heard the same thing in Illinois.

My own experience tells me that that has been happening in the last 5 years in Michigan, and while two of the three schools sitting here will appear to benefit from that shift, their shifting from the University of Michigan to two other schools here.

There are students who would be at Kalamazoo College who are going to Western Michigan instead, purely on the basis of economics. So what we have at work here is really not a neutrality with respect to choice, but we are slipping into a situation where we are imposing choice and we are not doing it deliberately. The cost of education has gone up very high, as the cost of everything else has gone up.

The cost of education is not just tuition; it is the cost of staying alive while you are in school for a year. Those costs have risen much more than the tuition rates, even in Michigan where we enjoy the dubious honor of being among the highest-cost public institutions in the country.

Then when you get past the schools that are sitting here, the community colleges will look like they are actually benefiting from this because some of the students that would be coming to your three institutions are going to end up taking their first 2 years at that type of institution instead of at the higher-cost public institution. When we get all through with this, somebody gets squeezed out.

At that point, then, the whole access concept has been warped out of shape because choice has to do with whether access is practical. When you reduce the available positions that are economically available to the total population, the weakest are the ones that will ultimately get squeezed out by it and I think that is what Dr. Porter was referring to when he said that we are very rapidly, unless we recognize it, returning to the good old days prior to World War II, when only the right people went to college. "Right" being somebody with a family that could afford it.

I don't think that we would adopt that as a policy, but we are sliding into it. Can you tell me, in round numbers, what would it cost you out of State and local resources for each student on the campus, in round numbers.

Mr. **Porter**. Total?

Mr. **Ford**. What is the cost to the taxpayers of Michigan for each new student who enrolls in your school?

Mr. **Porter**. About $3,500 for Michigan to the taxpayers; $3,500 per student. Our tuition is about $1,500—a little better than $1,500.

Mr. ADAMANY. For us, it would be just under $6,000. Of course, that includes the—in the State base, it includes the fact that we are a research institution and have lower teaching loads and a different character of facilities. Average tuition for a full-time undergraduate student is $1,971. The ratio was approaching $3 of State funds for both the research and instructional missions for every dollar that the student pays in tuition.

Mr. FORD. What is it at Michigan, Tom?

Mr. BUTTS. The tuition is about $2,500 for an in-State, undergraduate student. The State contribution, I would have to defer on.

Mr. FORD. Way back when I was in the legislature, we were paid about $20,000 a year. I don't know what it must be now. The difference between going someplace else and coming here was every year on the table in the legislature is an item to fund. Maybe that is why Michigan State has medical training now because they were missing out on that.

Thank you very much, gentlemen, for your assistance and for the valuable testimony that you presented to the committee.

Now, Father Robert Mitchell, president of the University of Detroit; Dr. David Breneman, president of Kalamazoo College; Dr. William Colovas, vice president of Wayne County Community College; Dr. Gerald Faye, president of Michigan Association of Higher Education; and Phil Runkel, superintendent of public instruction for the State of Michigan.

Without objection, the prepared testimony that the panel has submitted will be inserted in the record just before each of you makes your comments and I believe we will start with Father Mitchell. I didn't forget that you were nice enough to give me that honorary degree. As soon as you came to the school, it happened. Haven't forgotten.

STATEMENTS OF FATHER ROBERT MITCHELL, S.J., PRESIDENT, UNIVERSITY OF DETROIT; DAVID W. BRENEMAN, PRESIDENT, KALAMAZOO COLLEGE; WILLIAM C. COLOVAS, VICE PRESIDENT, WAYNE COUNTY COMMUNITY COLLEGE; GERALD FAYE, PRESIDENT, MICHIGAN ASSOCIATION OF HIGHER EDUCATION—MEA; AND PHIL RUNKEL, SUPERINTENDENT OF PUBLIC INSTRUCTION, STATE OF MICHIGAN

Father MITCHELL. We couldn't have given it to a more worthy recipient.

I would like to thank you for this opportunity to testify this morning. My name is Robert Mitchell, I am the president of the University of Detroit.

I would like to speak this morning on behalf of my own university and also on behalf of the Association of Independent Colleges and Universities in the State of Michigan, of which I am a member of the executive committee.

To say a word about the University of Detroit, it is a school of some 6,000 students. We have seven colleges in our university. We have a very mixed student body. Approximately 18 percent of our students are minority students. Our students generally tend to be from the middle class, lower middle class, and even from the low-income group.

If you were to come, as you did, to our graduation and saw the students passing through the line for their diploma, I think you will have noted, first of all, the great variety of students that we have from every class of society, some foreign students, and I think it is also rather obvious from the people who are there that we are graduating people, for the most part, who are the first members of their family, the first generation ever to be able to go to college.

Those kinds of statistics are not alien to the other members of the Association of Independent Colleges and Universities of Michigan. I think on a whole, our minority representation in that group is close to 15 percent. Proportionately, it is higher than in the public sector, which is sometimes a bit of a surprise. Approximately 75 percent of the students in the independent do get some form of financial aid, as they do at the University of Detroit and at the University of Detroit, in almost all cases, those who get financial aid get some portion of it from the Federal program.

I think this morning you have the testimony on record there with some particular points that we are recommending. I would also say that our association, through its president, will also be giving you additional suggestions and recommendations with regard to specifics a little later on.

I think I would like to take a minute or two to talk about some of the more general principles involved. I would like to say that I think the greatest importance of this program that the United States has in aiding students to go to college is that it preserves the dual system of education which we have. It is a unique resource in this country. It is something we should be very conscious of, very proud of, and make every effort to maintain.

I think if you think for a moment and you reflect, you can see why it is important to have the private independent sector able to provide something that sometimes it is impossible to get in the public sector. These schools generally come out of a particular tradition. That tradition does have an influence on those schools, on what goes on on campus, and while science and history remain fairly objective in the classroom, what happens outside the classroom and also in the way in which value questions are raised, comes very much from the traditions that are more the background of these independent institutions.

I think it is also fairly common that the independent institutions tend to be smaller and that students going there are able to receive the kind of personal attention, not only from the staff, but especially from the faculty, that makes it possible for them to succeed in college, when at other times, they may have difficulty.

Third, I think it enables these institutions to keep present in our society various philosophies of education and that variety and those philosophies that are different are one of the strengths of our society.

I would like to emphasize that in speaking this way, I in no way intend to denigrate the value of public institutions. They are obviously important to our society and I would like to go on record as speaking to both.

In giving you some idea of the importance of this program for independent colleges, if we were, for example, to take the budget proposals of the administration and look at them at the U of D, I think we would begin to see that these programs are not just ways of saving some money here and there, but they are impacting the very philosophy of the public policy which had undergirded these programs.

If they were to go through the President's recommendation of the caps, our institution would lose $1,260,000 in campus State aid programs, plus an additional $80,000 in Pell grants and some $2 million in guaranteed student loans that would come to our students.

I think if proposals such as the administration is putting forth were to go through, this is what I am firmed convinced would happen in the United States. First of all, a number of independent institutions such as ours simple would not be able to continue. I know this sounds dramatic and people say you are trying to scare people; I am firmly convinced that that is a fact, that many independent students would not be able to survive without the kinds of programs that we have here.

Second, I think that the private and independent students which did survive would become enclaves of the very rich. That would surely happen and I think would be a vast detriment to our society and to the detriment of the education of all the students, even the ones that were in the private institutions then.

Last, I think there would simply be, as you mentioned just a few moments ago, Congressman, a number of people in the lower-income levels—but particularly the minorities—who would simply fall out the bottom, even out from under the bottom of the public education system.

I would like to encourage the programs, the development of the programs as you have them. I recognize, in response to Congressman Williams' request, the difficulties of the budget. I think I share in many ways the view of President Adamany. I realize that everyone has to make some kind of accommodation at the present time, but I think there are ways to do it without going into the dramatic cuts and decreases that are being recommended by the administration

I would like to ask you to reflect a moment, as I have recently, on the veterans after the Second World War. I think the United States made a tremendous investment in education in the programs that were possible after the Second World War. I don't know what the bill on that was. I am quite confident that in relative terms, it was fairly high for those days, but what I would like to suggest to you is that the present well-being of this country is due in a large degree to the great increase in educated people that we have in this Nation, especially college and university people, after that war. It was probably one of the best investments that this country has ever made and the reason why I mention that is because in the present economic difficulties that we have—and we do have to solve this—I think we have to be very careful that we don't solve them in a way that in future years, the problem is going to be even greater because we won't have the resources that we have.

I realize you are pressed for time. I would be glad to answer any questions later on about the particulars in the testimony, but I would like to thank you once again for the privilege of appearing.

[Prepared statement of Father Mitchell follows:]

PREPARED STATEMENT OF ROBERT A. MITCHELL, S.J., REPRESENTING THE UNIVERSITY OF DETROIT AND THE ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF MICHIGAN

My name is Robert A. Mitchell, S.J., and I am representing the University of Detroit and the Association of Independent Colleges and Universities of Michigan. Our Association represents forty very diverse independent, non-profit colleges serving the citizens of Michigan and of the nation.

These Michigan independent colleges and universities annually provide quality education to 72,000 students from all socio-economic and racial/ethnic backgrounds. More than 75% of our students need and receive federal, state and/or institutional financial aid which makes it possible for them to choose an independent college. Today I will focus primarily on federal student financial aid and the impact of the Reauthorization of the Higher Education Act.

In large part because of the federal student aid programs, Michigan independent colleges are able to serve great numbers of low-income and middle-income students. In part because of financial aid, Michigan independent colleges enroll a larger proportion of minority students than either the public four-year colleges or community colleges. Minority students comprise 15.04% of our composite student body. And in part because of student aid, independent colleges exert a tremendously positive impact on the economy of this state and of the nation. For instance, the annual economic impact of independent colleges in Michigan exceeds three billion dollars. And it is projected that independent colleges nationwide contribute a positive impact of nearly 65 billion dollars on the country's economy. For a relatively modest investment primarily in student financial aid, the people of this state and nation reap great dividends in educational service and economic stimulation.

Time does not permit a dissertation of detailed financial aid recommendations. So I shall recommend several principles which should guide Reauthorization policy-making and highlight a few specific program recommendations. We will be happy to submit detailed documentation of these proposals at a later date.

We urge you to embrace these guiding principles in considering your recommendations for the Reauthorization of the Higher Education Act.

(1) The current federal student financial aid programs have worked well in encouraging access and choice (both of which are essential public policies) to independent as well as public colleges. However, federal student aid funding in recent years has not kept pace with increasing educational costs and student financial need. Let me illustrate in human terms. "Unmet need" refers to a shortage between a student's legitimate, demonstrated financial need for assistance to attend college (after his family has made its expected contribution) and available need-based financial aid resources to assist that student. In other words, after need-based grants, work and borrowing he is still short on his college bill. The total unmet need of undergraduate Michigan independent college students in 1982-83 was $30,450,000, an average unmet need of $946 per needy student. And the unmet need for all college students in the state—public, community college and independent—exceeded $7[illegible] 850,000 in 1982-83. The point is that Reauthorization must encourage increased funding levels as well as refining the efficiency and effectiveness of the federal financial aid programs.

(2) The student financial aid delivery process should be simplified and streamlined to make assistance more accessible and understandable to students and their parents. We urge you to study carefully the recommendations of the National Commission on Student Financial Assistance in this regard.

(3) The fundamental federal concept of "relative student need" should be reaffirmed in any program refinements or initiatives. "Relative student need" defines need in the context of both family resources *and* educational cost at the the college of the student's choice. Without this principle, needy students would be limited to mere access to postsecondary education without the kind of choice which is fundamental to our pluralistic educational system and society.

(4) The goals of (a) decreasing regulatory and paperwork burdens imposed on colleges and (b) limiting governmental intrusions in institutional autonomy and academic policies, should be pursued in Reauthorization. Government regulations and controls should be confined to those absolutely essential for accountability of federal funding. Academic policies and procedures should be left to the more appropriate accreditation and self-regulation processes.

Now I shall mention a few specific program proposals:

(1) Federal program procedures should ensure that all students contribute some "self-help" to their aid package—that is, student work and/or loans. Obviously such

a self-help component should be sensitive to not overburdening a student with excessive or infeasible "self-help".

(2) *The definition of an independent student for purposes of federal student financial aid should be tightened to prevent abuses.* An independent student is one whose parents assets are not considered in determining his/her need for aid. However, the definition should leave some discretion to financial aid officers in extraordinary cases.

(3) Financial aid officers could make the currently monolithic Pell Grant program far more effective and efficient by utilizing a compus-based administrative approach rather than the present system of contracting with national processers. We are prepared to make several detailed recommendations for achieving this change.

(4) The so-called "Fair Share" system of allocating compus-based financial aid to colleges must be revised to remedy inequities and to ease penalties to states and colleges which have developed strong financial aid programs.

(5) The highly successful College Work/Study program should be expanded. We are prepared to elaborate in writing.

(6) The maximum loan limits in the Guaranteed Student Loan program must be raised substantially in recognition of increased educational costs and student need. Eligibility for the government-subsidized Guaranteed Student Loans should be based on demonstrated financial need.

The Reauthorization of the Higher Education Act is a great opportunity to continue and refine the great federal tradition in assuring access and choice to American higher education for all qualified citizens.

Thank you for this opportunity to comment. We will be happy to respond to your questions now or in the form of more detailed documentation later.

Mr. FORD. Thank you very much.

Mr. Runkel.

Mr. RUNKEL. Thank you, Chairman Ford.

First of all, we want to particularly commend you for your strong and thoughtful support of postsecondary education for the past two decades. Your leadership has had a significant impact on the quality and accessability of Americans all across this country and you spearheaded efforts to ensure that students from all walks of life, whether they attended 2- or 4-year institutions, public or private school, had the same opportunity available to them.

Mr. Williams, we are pleased that you are here. We know of your work at NIE. We have recently formed an educational lab in this region which will serve about 11 million students. Cooperatively, we are working with the private institutions and the big 10 universities, and they are part of the governing board, so we appreciate your support.

Today, Congressman Ford, I have to fill two roles. The recently completed Commission on the Future of Higher Education and the other, of course, is State superintendent.

Mr. Robinson, Chairman of the Commission, apologizes and sends his regrets to you because he was unable to be here.

For the record, Governor Blanchard, in September 1983, through an Executive order, really commissioned the Higher Education Commission. Twenty-five leading citizens met for 15 months to develop a series of recommendations to support a higher education system for this State for the rest of the century. I served on that Commission and our consultation with State leaders and policymakers, educators and research, business people and labor people, industrialists and professionals, it became clear that there is a vital link between our higher education system, our economy, as well as individual well-being. One cannot flourish without the other.

I share with you recently developed deliberations. This is a tough choice and there are going to be some tough choices and reinvest-ments are going to be necessary to preserve the integrity and balance of the higher education system for Michigan and this country.

We face the inevitable concerns of escalating tuition, decline enrollments and fundamental economic changes without flinching or denial. If nothing is being done, or as is contemplated by the administration's budget, we back away from our commitment. We are likely to face a future in which mediocrity is coupled with inaccessibility. This is totally unacceptable for this Nation.

The Commission, in addressing our charge, focused on four major areas. One, investing in people, focusing priorities, supporting educational progress, the economic progress and creating a partnership for action. Michigan has made and is committed to a significant investment in higher education. This year alone, the State's appropriation is about $1 billion. The Commission's recommendations not only supported that basic commitment, but targeted increases totaling 100 million annually for State student financial aid and bills have been introduced, as the other panel talked about.

These programs were retraining programs, facility restoration, centers of research excellence, and faculty support. We are pleased that there are many things now being introduced in the legislature to put these in there.

Michigan is stepping forward to meet the funding and educational challenges of the future, but we cannot be successful without the partnership of the Federal Government in sustaining several fundamental programs.

During the past 20 years, the Student Financial Assistance Program authorized under title IV of the Higher Education Act has been the cornerstone of educational opportunity for hundreds of thousands of postsecondary students throughout the Nation. However, during the past years, from 1980 to 1985, the actual purchasing power of the Federal student aid dollars has declined approximately 15 percent. On top of that decline in real purchasing power, the Reagan administration has proposed a cut of approximately 25 percent in Federal student aid programs.

For the State of Michigan, the proposed cut would be about $119 million, affecting somewhere between 50,000 aid students. Clearly these proposals would mean an erosion of equal educational opportunities for thousands of students throughout the Nation.

It is also clear that the proposed reduction would not only affect middle-income families, but would also do serious damage to thousands of low-income students, including minorities and self-supporting women.

If the Federal Government is to maintain its central role in providing educational opportunity for all students, regardless of their financial circumstances, it is essential that the title IV student aid programs be continued in their present form.

The most extensive of the title IV programs is the Guaranteed Student Loan Program which operates through a unique blend of Federal, State, and private effort that annually produces financial assistance well beyond the level of actual Federal subsidies. This program has been an essential resource for low-income students, middle-income students, graduate and professional students who have exhausted all their resources. While certain technical amendments to the Student Loan Program may be in order, it is essential that the basic structure of this program be maintained.

The Pell Grant Program, the campus-based student aid, and the State student incentive grant should be continued without major modifications. The several grant programs are important so that students are not forced to borrow beyond their future ability to repay their loans.

It has been suggested by some that many students who receive financial assistance do not need this help. The fact of the matter, however, is that in Michigan there is documented evidence that current financial aid resources, from the Federal Government, the State government, institutional sources fall short, by at least $80 million and we will submit to you as an addendum the document from the Department of Education Students Financial Services, which would deal with that.

Mr. **Runkel**. In a 500-household professional survey done in October of 1984 for the Commission, responses indicated that nearly 20 percent of the Michigan households somehow—someone has been unable, solely for financial reasons, to attend a college at which they had been accepted. An even larger number of Michigan residents, 37 percent, report that someone in their household has been forced to withdraw from college or take fewer courses that they needed for solely financial reasons. What a devastating loss of potential in an era when advanced education and training is so central to our individual and collective success.

Despite the demagoguery of some, the evidence clearly indicates the need for sustained Federal contribution for student financial aid.

John Porter talked about upgrading teacher education and I would like to address that briefly. Not only students, but teachers, must really receive better preparation to meet the needs of a fast-changing society. Colleges teach teachers, who in turn teach the elementary and high school students who will attend those colleges. Strenthening the link in the chain of training will revitalize the educational system and restore popular respect and support for the profession.

While the supply of teachers is declining and leaving the classroom in large number and fewer college students choose teaching careers, an increased demand for elementary school teachers will begin as early as 1985. Today, right now, there are 200 supplemental teachers teaching in Detroit alone. Detroit, for the first time, is hiring teachers.

There is going to be a shortage of trained teachers in the areas of math, science, and foreign language and the Commission made recommendation as well to the State through its Blueprint Program.

What we have here in Michigan is the average age of 44 years of age. Over 56 percent of the Michigan teaching force has a master's degree and close of 85 percent have met all the requirements for the continuing certificate. Because this is a national concern, the Federal Government, as well as State agencies, intermediate district educational agencies and local school districts must be willing to share the responsibility.

I firmly support the provisions of the Professional Development Resource Center Act, introduced by Chairman Ford. I believe we learned that the Federal Government and programs which formerly existed under title V of the Higher Education Program provides an exemplary model for the Nation.

Federal leadership and assistance is crucial to meet the needs of the changing teacher force. If we are to demand professionalism from our teachers, we must provide them with the means to fulfill the demand.

It is recommended that Congress include as part of their reauthorization of the Higher Education Act, funds for professional development and continuing centers to assist State and local agencies in planning, establishing and operating such centers on a year-round basis.

The involvement of classroom teachers is an important element to this proposal. Federal investment in a system of professional development continuing education centers will ensure that teachers will be engaged in activities that will upgrade and expand their subject matter expertise, exploring new technical tools as well.

Furthermore, Congress should give serious consideration to providing resources to State educational agencies and institutions to improve and upgrade the teacher education programs in the State.

I would like to build on John Porter's concept of developing some models nationally and having the Congress do this. I think it might be wiser if we submitted several model States where States could really involve a variety of the people in the profession of higher education, teachers, administrators, in looking at teacher needs and developing some kind of models so we can move for some Federal legislation. We can talk about loan forgiveness, but we simply do not know how to attract people to the profession. There are certainly some ideas that we have, but we do not know. There may have to be a variety of different kinds of ideas. Some were proposed today, but we need to get at the problem.

National security, as well as our national well-being will certainly be impacted if we do not.

I would like to say just a few things in conclusion. To quote our Governor, "It is no exaggeration to say that the struggle in which we are engaged may well be won or lost in the classroom." Higher education is much too critical to the economic, political, and intellectual future of this country and our people to compromise.

Two conclusions were clear to the Commission. First, dramatic changes will prevail in the 21st century and higher education must be a part of the national and State strategy if we are to respond effectively to those changes. Second, the Federal Government must be a strong partner with the States and colleges and universities. Performing vital research and public service and ensuring intellectual inquiry, developing successful employers, entrepreneurs, and business leaders, and providing for the vitality of our political and social fabric.

We have entrusted all of these to higher education and they must not be lost through some idealogical expediency. The future price will be incalculable.

Thank you for the opportunity to share my thoughts. I would comment, Mr. Williams, on the deficit. I think your observations on the enhancement of revenue are correct, but I do think we ought to at least take some effort to at least bring that, as you have suggested, some minimal tax, but I do agree with David Adamany that we must share in the burden. It is almost unrealistic that, while we are investing in defense, we are not to invest in our human resources.

On the one hand, we increase the expenditure to make war and we are decreasing the potential to really develop our human resources. I think it is very important that there is some shared cost and we need to look at the defense budget very closely.

Thank you.

[Prepared statement of Phil Runkel follows:]

PREPARED STATEMENT OF DR. PHILLIP E. RUNKEL, SUPERINTENDENT OF PUBLIC INSTRUCTION, STATE OF MICHIGAN

Mr. Chairman, members of the Committee. It is an honor to appear before you on an issue of such vital importance to our state and this nation.

Mr. Ford, you in particular are to be commended for your strong and thoughtful support of postsecondary education for the past two decades. Your leadership has had a significant impact on the quality and accessability of America's higher education. You have spearheaded efforts to ensure that students from all walks of life whether they attend a two-year or four-year institution, a proprietary, public or private school, have the same opportunities available to them.

I am Dr. Phillip E. Runkel, Superintendent of Public Instruction in Michigan. Today I fulfill two roles: one as a member of the recently completed Commission on the Future of Higher Education in Michigan and the other, of course, as State Superintendent. Originally Mr. James Robinson, Chairman of the Commission hoped to address you. He sends you his regrets. I agreed to present his remarks, together with some thoughts of my own on behalf of the State Board of Education.

First some comments on the Commission's findings. Created by an Executive Order of Governor James J. Blanchard in September 1983, 25 leading citizens met for 15 months to develop a series of recommendations to support a higher education system in this state for the rest of this century. In our consultations with state leaders and policymakers, educators and researchers, business people and labor officials, industrialists, noted professionals and civic leaders, it became abundantly clear that there is a vital link between our higher education system and our economic, as well as individual well-being. One cannot flourish without the other.

I share with you the report developed during the months of deliberations. It is a bold and innovative approach. Our conclusion is that tough choices and substantial reinvestment are necessary if we are to preserve the integrity and balance of a superior higher education system for Michigan and this country. We must face the inevitable concerns of escalating tuitions, declining enrollments and fundamental economic changes without flinching or denial. If nothing is done, or as is contemplated by the proposed Administration budget, we back away from our commitment, we are likely to face a future in which mediocrity is coupled with inaccessibility. This is a totally unacceptable outcome for a nation founded on opportunity and faced with unprecedented competition.

The Commission, in addressing our charge, focused on four key areas of need: investing in people, focusing priorities, supporting economic progress, and creating a partnership for action. Such an agenda to address critical problems requires that the federal government be one of those partners.

Michigan has made, and is committed to sustaining, a significant investment in higher education. This year alone, the state's appropriation is more than $1 billion. The Commission's recommendations not only supported that basic commitment, but recommended targetted increases totaling more than $100 million annually for state student financial aid, retraining programs, facility restoration, centers of research excellence, and faculty support. These proposals are intended to ensure a quality education for our citizens at an affordable cost while creating jobs for the future.

Michigan is stepping forward to meet the funding and educational challenges of the future. But we cannot be successful without the partnership of the federal government in sustaining several fundamental programs.

During the past twenty years, the student financial assistance programs authorized under Title IV of the Higher Education Act have been the cornerstone of educational opportunity for hundreds of thousands of postsecondary students throughout the nation. However, during the past four years, from 1980-81 to 1984-85, the actual purchasing power of the federal student aid dollars has declined approximately 15 percent. On top of the decline to real purchasing power, the Reagan Administration has proposed a cut of approximately 25 percent in federal student aid programs. For the State of Michigan the proposed reduction would result in a loss of approximately $119 million affecting more than 50,000 individual students. Clearly these proposals would mean an erosion of equal educational opportunity for thousands of student throughout the nation. It is also clear that the proposed reduction would not only affect many middle income families, but would also be severely damaging to thousands of low income students including minorities and self-supporting women students.

If the federal government is to maintain its central role in providing educational opportunity for all students regardless of their financial circumstances, it is essential that the Title IV student aid programs be continued in their present form.

The most extensive of the Title IV programs is the Guaranteed Student Loan program which operates through a unique blend of federal, state and private effort that annually produces fianancial assistance well beyond the level of actual federal subsidies. This program has been an essential resource for low income students, middle income families and graduate and professional students who have exhausted all other resources available to them. While certain minor technical amendments to the Guaranteed Student Loan Program may be in order, it is essential that the basic structure of this program be maintained and that access to the program be made available to a wide range of students.

The Pell Grant Program, the campus-based student aid, and the State Student Incentive Grant Program should be continued without major modification. The several grant programs in particular are important so that students are not forced to borrow beyond their future ability to repay their loans.

It has been suggested by some that many students receiving financial assistance do not need this help. The fact of the matter, however, is that in Michigan there is documented evidence that current financial aid resources from the federal government, the state government and institutional sources fall short of actual need by at least $80 million.

Further, in a 500 household professional survey done in October, 1984, for the Commission, responses indicated that in nearly 20 percent of Michigan's households someone has been unable solely for financial reasons, to attend a college at which they had been accepted. An even larger number of Michigan residents—37 percent—reported that someone in their household has been forced to withdraw from college or take fewer courses than they needed for solely financial reasons. What a devastating loss of potential in an era when advanced education and training is so central to our individual and collective success. Despite the demagoguery of some, the evidence clearly indicates the need for sustained federal contribution for student financial aids.

STRENGTHENING COMMITMENTS TO OPPORTUNITY

Our national leadership must not turn its back on the hard-won affirmative action gains we have made. A renewed commitment must be firmly put into place.

Women, whose college enrollment has increased dramatically since 1970, tend to enroll in the traditionally female fields of education, arts and languages, health, home economics and library science, opting much less frequently for enginering, mathematics, and physical sciences. Black undergraduate enrollment, which rose in the early 1970's, is now leveling off. Very small numbers of Black students enroll in graduate programs; even fewer complete graduate study and receive degrees. Hispanic enrollment and graduation rates show similar tends. Inadequate high school preparation, lack of support services, unfamiliar environment and lack of minority and handicapper faculty members are major contribution factors to the low retention rate of minorities and handicappers. Federal support programs in some form should continue to be provided for successfully recruting graduating minorities and handicappers. Encouraging visiting scholars and administrative internships and assuring pay equity.

UPGRADING TEACHER EDUCATION

Not only students, but teachers must receive better preparation to meet the demands of a fast-changing world. Colleges teach teachers, who in turn teach the elementary, middle and high school students who will attend the colleges. Strengthening this link in the chain of training will revitalize the entire educational system, and restore popular respect and support to the teaching profession.

While the supply of teachers is declining as teachers leave the classroom in large numbers and fewer college students choose teaching careers, an increased demand for elementary school teachers will begin as early as 1985. Further, there appears to be a shortage of trained secondary teachers in the critical areas of math, science and foreign languages. To assure a supply of qualified teachers the Commission recommends that colleges of education: (1) start recruiting early, (2) intensify the teacher training program, (3) support teaching research, and (4) enhance continuing teacher education.

The State Board of Education through its Blueprint for Action and Governor Blanchard through the Educational Summit Task Force share in this call for major emphasis on in out teacher education programs.

Let me elaborate on the call for enhancing the continuing education of teachers. Currently the average age of the Michigan teacher is 44. Over 56% of the Michigan teaching force has a master's degree, and close to 85% have met all the requirements for the continuing certificate.

Thus, our teaching force is getting further away from the professional preservice perparation leading to the need to develop programs that will assist classroom teachers in expanding their professional capabilities.

Because this is a national concern, the federal government as well as the state education agencies, intermediate school districts (education service agencies) and local school districts must be willing to share this responsibility. I firmly support the provisions of the "Professional Development Resource Center Act" introduced by Chairman Ford. I believe we have learned that the federal programs which formerly existed under Title V of the Higher Education program provided an exemplary model for the nation and should be reinstated.

Federal leadership and assistance is crucial to the development of our nation's teaching force. If we are to demand professionalism from our teachers, we must provide them with the means to fulfill that demand.

It is recommended that the Congress include as part of the reauthorization of the Higher Education Act. Funds for professional development/continuing education centers to assist state and local education agencies in planning, establishing, and operating such centers on a year-round basis.

The involvement of classroom teachers is an important element to this proposal. Federal investment in a system of professional development continuing education centers will ensure that teachers will be engaged in activities that will include updating/expanding their subject matter expertise by applying the latest educational research to classroom situations, exploring new educational tools and utilizing new teaching technology in the development of curriculum materials. Further, Congress should give serious consideration to providing resources to state educational agencies and institutions of higher education to improve and upgrade the teacher education programs at our state colleges and universities.

SUPPORTING EXCELLENCE IN RESEARCH AND DEVELOPMENT

Another key area of concern for the Commission was the relationship of higher education to economic development and job creation. Research and experience substantiate a clear link between economic revitialization and activities in cutting edge scientific and engineering investigations at nationally recognized institutions, technology transfer strategies, faculty entrepreneurship and effective job training. Although the states have assumed considerable responsibility for these activities, a federal role in funding major research and equipment is vital to ensure excellence in physical and intellectual resources.

The availability of specialized research equipment influences the volume of scholarly output, especially in the sciences and engineering. In the highly competitive arena of federal R&D funding, antiquated research equipment can reduce an institution's sponsored support. A recent federal survey reported that ". . . university researchers work with adequate tools that impair the pace of research, force closure of lines of inquiry. . . . The best equipped industrial laboratories surpass almost all university laboratories."

Large-scale, nonroutine equipment is the issue the Commission believes is best addressed through a state and federal partnership since that costs are so substantial and the benefits extend beyond a single state or region.

Cooperative education is also an area that should be supported and strengthened as we look to job training and economic revitalization through higher education. Venture capital should be authorized in Title VIII to expand upon the exemplary work already carried out at 44 state institutions—and more than 1000 across the country—to assist student preparedness for future employment through cooperative education.

EMPHASIZING COOPERATION AND TECHNOLOGY

The Commission applauded the resource-sharing programs already in effect, such as the joint use of physical facilities, joint degree programs, early college admission for talented high school seniors and agreements which facilitate the transfer of credits. However, in view of future needs, the Commission has called for even greater progress in innovative ventures such as telecommunications networks, program agreements between institutions and sectors, consolidated library resources and maximum use of automated technology to eliminate costly and inefficient duplication. I have been asked to assume a leadership role in calling together a panel from all the affected sectors in initiate action on this proposal because of the extensive experience of the state Department of Education in its work with the HEGIS data, the Vocational Education Data System (VEDS) and other similar programs. The Congress should also look to playing a catalyst role in this area where technological innovation and development will be too large for a single state.

DEVELOPING A COMPREHENSIVE HIGHER EDUCATION DATABASE (INCLUDING LABOR MARKET DATA)

Finally, the Commission found an astonishing difficulty in gaining access to relevant systemwide data as our work evolved. There is no doubt that higher education decisionmaking must be done on a systemwide basis if it is to be effective. Yet policymakers lack a continuous comprehensive source of data for timely discussion of complex issues.

In order to provide this critical information, the Commission recommended the expeditious coordination and on-line availability of a comprehensive database. This data should include student enrollments, high school graduation and post-secondary planning data, financial aid, representation of minorities, women and handicappers; institutional data, including finance and expenditure, consumer costs, and academic programs. Occupational supply and demand data organized by occupation and field of study to guide student career counseling and program planning activities, as well as policymakers, should also be incorporated. This issue may seem obvious, but it is amazing how many institutional representatives seek to keep this information from policy makers. A national effort is needed to provide for the coordination and access of vital data if such an effort is to ultimately have an impact on achieving the best possible higher education system for our nation.

CONCLUSION

To quote Governor Blanchard, "It is no exaggeration to say that the struggle in which we are engaged may well be won or lost in the classroom." Higher education is much too critical to the economic, political and intellectual future of this country and our people to compromise.

Two conclusions were very clear to the Commission. First, dramatic patterns of change will prevail into the 21st Century and higher education must be a part of national and state strategy if we are to respond effectively to those changes. Second, the federal government must be a strong partner with the states and the colleges and universities. Performing vital research and public service, and ensuring intellectual inquiry, developing successful employees, entrepreneurs and business leaders, and providing for the vitality of our political and social fabric. We have entrusted all of these to higher education and they must not be lost through idealogical expediency. The future price would be incalculable.

Thank you for the opportunity to share my thoughts and those of the Commission with you.

Mr. **Ford**. Dr. Colovas.

Mr. **Colovas**. Thank you, Chairman Ford, and Congressman Williams.

Before beginning our testimony on behalf of WCCC, I take great pleasure in introducing two people that are so important to Wayne County Community College. First. I would like to ask Mrs. Juanita Ford to stand. Mrs. Ford is a longstanding trustee of our college. Ms. Mary Jane Bond, our director of financial aid. Thank you.

I am pleased for this opportunity to offer testimony on behalf of Wayne County Community College in suport of three programs that have so greatly assisted students to successfully complete postsecondary education programs. These are the TRIO, title III and financial assistance programs.

We firmly believe that under the Higher Education Reauthorization Act, that increased Federal financial support of these programs is, in both the short and long run, crucial to the future well-being of our Nation. The increased demand for better education of the citizenry is more prevalent now than at any previous time. Our Nation's economic, political and social survival depends on the country being able to successfully compete in these arenas within the global context. Increased Federal support in postsecondary education, therefore, is paramount to and provides the foundation for maintaining national stability, growth and human progress.

Incidentally, going into this presentation, I want to mention that approximately 60 percent of all students in the country that move into postsecondary education, higher education, generally get their first exposure at the community college level.

With respect to the TRIO Program, WCCC has had a special services project since 1972 to provide academic support services to students whose prior educational experiences indicate that they will have difficulty completing their academic programs. Currently, 49 percent of Wayne County Community College students read at the ninth-grade level or below. Moreover, 90 percent of these are first-generation college students who, for the most part, receive financial aid. If these nontraditional students are to succeed, they must have specialized tutoring, counseling and learning skills experiences that augment the instruction received in the classroom and learning laboratories.

Each year, approximately 1,200 students at WCCC receive academic support services provided by the special service project, with the majority of these students receiving reading instruction. Interestingly, data collected on these students underscore the importance of this assistance. Students who receive tutoring, counseling and study skills are twice as likely to graduate as those who do not. This conclusion has been validated by a national study conducted by the Systems Development Corp., on Wayne County Community College special services project.

Given the limited financial resources of the college today, it is impossible for it to fund these services; yet, without them, many students who lack the requisitie academic skills will be denied an opportunity to become contributing members of society. Because of TRIO funds, many of our students have completed rigorous academic programs and joined the work force. As example, WCCC produces more minority nurses than any other institution of higher education in the State because a vast majority of these students are nontraditional. They require extensive support services.

Special services assists students by providing these tutorials, especially in reading, math and writing. Moreover, once students gain admission, they still attend workshops conducted by special services which are geared to anxiety reduction, test-taking and biofeedback. Given the large number of students who qualify for special services with the current funding level, only 10 percent can be serviced each year. With additional funding, the institution certainly could assist more students to complete an academic program.

With a strong impact on academic performance and retention that these services make, they are still very cost-effective. Currently it costs $504 per student to provide a range of academic support services.

The 1984-85 budget for special services at WCCC is $176,660, which is all Federal funds. Without these funds, the open-door community college would, in fact, become a revolving door to a great number of our students.

With respect to our institutional lay program, title III, it consists of three basic components. These are administrative improvements, academic improvements and the student center support network. Our title III program is a 5-year developmental grant which runs through September 30 of 1987.

Under the administrative services improvements, a research and development component has been effectuated which identifies ongoing changes in the student profile. In addition, systems have been developed to institutionally respond to such changes and to establish new approaches for the management of these services.

The second category, academic improvements, involves faculty retraining and redeployment, instructional computer literacy, high technology, curriculum development and automated learning resources systems.

The third category is student-centered support services network and involves the development of a computer advisory planning system and computerized admission and assessment programs for students.

Title III has greatly assisted WCCC in substantially developing various aspects of administrative and instructional student service programs. The institution simply could not support such development under its general fund operating budget. The grant has provided us with the unique opportunity to continually improve these services and to develop new innovative approaches to better serving students.

Title III, therefore, has been of great benefit and assistance to us and deserves your continued and expanded support. Unlike other Federal programs that deal with specific funding priorities such as vocational technical equipment, et cetera. Title III has given our institution the flexibility to deal with a variety of high priority needs, inclusive of the ability to move forward with a more responsive institutional structure to better service students.

Many of our innovative programs are now, in fact, operative, that otherwise would not even be possible but for title III funding.

Third, I want to talk about our Financial Assistance Program and, as have others, I expressed our deep concerns surrounding the administration's proposed budget cuts in Federal financial assistance programs. These reductions will have a definite negative impact upon student access to postsecondary education.

At WCCC, we have sought to provide an opportunity for low-cost, high-quality postsecondary education. Over half of our students who are enrolled at least half time receive some form of title IV assistance. In 1984–85, we estimate over 8,500 students will receive in excess of $10 million at WCCC. You should know that WCCC operates the largest Pell Grant Program in the State of Michigan as far as community colleges are concerned, both in the numbers of students and in the amount of dollars expended.

Proposed budget reductions in student assistance would force many of these same students to discontinue their education and the achievement of their career objectives. Over 80 percent of our current eligible financial aid recipient population represents family incomes of $16,000 and below. The loss, for example, of SEOG funding alone would mean that upwards of 1,000 students per year could not attend WCCC.

Student access to postsecondary education at WCCC and elsewhere is clearly in jeopardy. Your efforts to support continued assistance in the Student Financial Aid Programs minimally at the current funding levels will certainly help assure the opportunity for a brighter future for our students, community and Nation.

At this time, I want to make five or six points that emphasize the negative impact on WCCC students relating to these proposed budget cuts. The first point is the proposed imposition of a $25,000 family income ceiling upon student eligibility to receive Pell, SEOG, and college work study funding. At WCCC currently, over 140 students are from families with incomes of $25,000 or more and receive Pell grants, SEOG, and other CWS funds during 1984-85. These students would no longer be eligible.

Under one proposal, restructuring of Pell grant awards for students with family incomes approaching $25,000 would no longer qualify for assistance. Students who are 22 years or younger would be automatically dependent unless they are a ward of the court or both parents are deceased. These provisions would severely impact the low-income student of 22 years of age or younger and make postsecondary education, even low-cost, such as that at our institution, almost unavailable for many of them.

A third point would be eliminating funding for the supplemental educational opportunity grant. WCCC received last year for this current year an authorization of $440,000 for NSUOG awards and these will be provided to over 1,000 students. We have received preliminary notice that 1985-86 funding levels will be equal to that. However, also, zero funding for these SEOG Programs will obviously impact the capability of 1,000 needy students to attend and complete their educational degree objectives.

The fourth point, if the proposal to limit title IV aid, including Pell grant, campus-based, and GSL to $4,000 per year were, in fact, enacted, as many as 500 students would exceed that $4,000-per-year limit at WCCC, when we include all those programs. A reduction, therefore, in funding could limit student enrollment.

The fourth point, under college work study funding, this would be increased and institutions permitted to transfer up to 50 percent of their funding into a grant program to replace SEOG. In our situation, we could anticipate an increase in CWS funding of approximately $200,000 to $250,000 per year. However, this increase is still a net decrease of current combined CWS and SEOG funding.

Sixth, and my last point, is that students who do not possess a high school degree, or its equivalent under the proposals, would not be eligible to receive any title IV financial aid funds. Some current students are enrolled because they are beyond the age of compulsory school attendance and have the ability to benefit, despite the lack of a high school diploma or recognized equivalency. This change to require a diploma or GED would totally eliminate students who qualify on ability to benefit from all eligibility for title IV aid. It may be that up to 20 percent of our current recipients would be denied educational opportunity if such a regulation were enacted.

I wish to thank the committee for this opportunity to present the views of WCCC concerning TRIO, title III, and financial aid assistance programs. We believe the Higher Education Reauthorization Act to be the most important business to be addressed by the national Congress.

Thank you, again.

[Prepared statement of William Colovas follows:]

PREPARED STATEMENT OF DR. WILLIAM C. COLOVAS, VICE PRESIDENT FOR ADMINISTRATION, WAYNE COUNTY COMMUNITY COLLEGE

I am pleased for this opportunity to offer testimony on behalf of Wayne County Community College in support of three programs that have so greatly assisted students to successfully complete postsecondary education programs. These are the TRIO, Title III and Financial Assistance Programs. We firmly believe that under the Higher Education Reauthorization Act currently being drafted by the Subcommittee on Postsecondary Education that increased federal financial support of these programs is in both the short and long run crucial to the future well-being of our nation. The increased demand for a better educated citizenry is more prevalent now than at any previous time in the nation's history. Our nation's economic, political and social survival depends on the country being able to successfully compete in these arenas within a global contest. Increased federal support of postsecondary education, therefore, is paramount to and provides the foundation for maintaining national stability, growth and human progress.

TRIO PROGRAMS—SPECIAL SERVICES PROJECT (INSTITUTE FOR HUMAN RESOURCES)

Wayne County Community College has had a Special Services Project since 1972 to provide academic support services to students whose prior educational experiences indicate they will have difficulty completing their academic programs. Currently 49% of Wayne County Community College students read at the ninth grade level or below. Moreover, over 90% are first-generation college students who, for the most part, receive financial aid. If these non-traditional students are to succeed, they must have specialized tutoring, counseling, and learning skills experiences that augment the instruction received in the classroom or learning laboratories. Each year approximately 1,200 students receive academic support services provided by the Special Services Project with the majority of these students receiving reading instruction.

Data collected on these students underscore the importance of this assistance. Students who receive tutoring, counseling, and study skills are twice as likely to graduate as those who do not. This conclusion has been validated by a national study conducted by the System Development Corporation on Wayne County Community Colleges Special Services Project.

Given the limited financial resources of the College today, it's impossible for it to fund these services. Yet, without them many students who lack the requisite academic skills will be denied an opportunity to become contributing members of society.

Because of TRIO funds, many of our students have completed rigorous academic programs and joined the workforce. Wayne County Community College produces more minority nurses than any other institution of higher education in the State. Because a vast majority of these students are non-traditional, they need extensive support services to enter and complete this program. Special Services assist students to enter the Nursing Program by providing tutorials in reading, mathematics, and writing. Moreover, once students gain admission, they still attend workshops conducted by special services staff—Anxiety Reduction, Test-Taking, and Biofeedback.

Given the large number of students who qualify for Special Services, with the current funding level, only 10% can be serviced each year. With additional funding, the institution certainly could assist more students to complete their academic programs and either enter the job market immediately or continue their studies at senior institutions.

Yet, with the strong impact on academic performance and retention these services make, they are still cost effective. Currently, it costs $504.00 per student to provide a range of academic support services. The Current (84-85) Budget for Special Services at Wayne County Community College is $176,660 which is all federal funds. Without these funds the open-door community colleges will become revolving door institutions.

INSTITUTIONAL AID PROGRAM—TITLE III

The current Institutional Aid Program—Title III—at Wayne County Community College came into being on October 1, 1983, under the auspices of the U.S. Department of Education. It is a five-year development grant which will run through September 30, 1987. It was designed by a cadre of Wayne County Community College administrators, faculty and support staff with full cooperation from the Board of Trustees, all college departments and personnel from throughout the institution. The college, in fact, has been the recipient of Title III funding since July 1976, and the Institutional Aid Program (I.A.P.) currently in effect is the longest-running and potentially the most valuable as measured in terms of providing ways and means for developmental improvement of Wayne County Community College. There are three basic components in the I.A.P. grant at Wayne County Community College. These are Administrative Improvements, Academic Improvements and the Student-Centered Support Network.

In the first category, Administrative Improvements, a research and development component has been effectuated which identifies ongoing changes in the student profile. In addition, systems were developed to institutionally respond to such changes and establish new approaches for management of these services.

The second category, Academic Improvements, involves Faculty Retraining and Redeployment, Instructional Computer Literacy, High Technology and Curriculum Development, and Automated Learning Resources.

The third category, the Student Centered Support Network, involves developing a computer advisory planning system and computerized admissions and assessment programs for students.

Title III, or the Institutional Aid Program, as it currently exists, has assisted Wayne County Community College in substantially developing various aspects of its administrative services, faculty training, academic and student services programs. This institution simply would not have been able to support such development under its general operating fund budget.

For the last six years that Wayne County Community College has been the recipient of a Title III grant, the grant has provided us with a unique opportunity to develop faculty training models, a research and development component, an automated library system, and assisted our Student Services Division in developing new and different approaches to serving students. Title III, therefore, has been of great benefit and assistance to us and deserves your continued and expanded support. Unlike other federal programs that deal with specific funding priorities, such as vocational technical equipment, etc., Title III has given our institution the flexibility to deal with a variety of high priority needs within the decision making structure of the college inclusive of the ability to move forward with a more responsive administrative structure especially as relates to better serving students.

Title III assisted our institution to the degree that many of our innovative programs are now operative that otherwise would not even be possible but for Title III funding.

FINANCIAL ASSISTANCE PROGRAMS

I express our deep concerns surrounding the administration's proposed budget cuts as concerns federal financial assistance programs. The proposed FY '86 budget reductions will have a definite negative impact upon student access to post-secondary education. At Wayne County Community College we have sought to provide an opportunity for low cost, high quality post-secondary education. Over half of our students who enrolled at least half time receive some form of Title IV assistance. President Reagan's proposed budget reductions in student assistance would force many of these same students to discontinue their education and the achievement of their career objectives.

Over 80% of our current eligible Financial Aid recipient population represent family incomes of $16,000 and below. The proposed loss of SEOG funding alone would mean that upwards of 1,000 students per year could not attend Wayne

County Community College. These proposed budget cuts do not impact only the "wealthy" or those with ability to pay; they also clearly impact aid availability for the truly needy as well. Student access to post-secondary education at Wayne County Community College, and elsewhere, is clearly in jeopardy.

Our future is based upon an educated populace. The role of community based, post-secondary education is critical to that end. Our college provides that first opportunity for post-secondary education to many citizens.

Your efforts to support continued student assistance programs at current funding levels will help assure the opportunity that a brighter future is available to our students, community, and nation.

The analysis which follows emphasises the negative impact of budget reductions to WCCC students.

ANALYSIS OF PROPOSED FEDERAL FINANCIAL AID PROGRAM BUDGET REDUCTIONS AT WAYNE COUNTY COMMUNITY COLLEGE

Key elements of the current proposed FY '86 budget and the projected impact upon students and programs of financial assistance at Wayne County Community College are noted below:

1. Impose a $25,000 family income ceiling upon student eligibility to receive any Pell, SEOG, and CWS funding:

Over 140 students from families with incomes of $25,000 or more received Pell Gant, SEOG, and/or CWS funds during 1984-85. These students would no longer be eligible.

2. Pell Grant Awards would be restructured:

Students from family incomes approaching $25,000 would no longer qualify for assistance. Students who are 22 years or younger would be automatically dependent unless Ward of the Court, or both parents are deceased. These provisions would severely impact the low income student of 22 or younger, and make post-secondary education, even low cost such as WC3, almost unavailable for many.

3. Eliminate the funding for the Supplemental Educational Opportunity Grant Program:

WCCC received an authorization of $440,499 for the 1984-85 year. SEOG Awards for this year will be provided to over 1,000 students to fully expend the fund. We have received preliminary note of the 1985-86 funding levels equal to 1984-85 ($440,499). Zero funding for SEOG will obviously impact the capability of over 1,000 needy students to attend and complete their educational degree objectives.

4. All Guaranteed Student Loans would be based upon a needs test for all applicants, and no loans would be available to families with incomes of $32,500 or above:

At least 25% of our GSL applicants, including those with incomes of $30,000 or below, would no longer qualify for these loan funds. To date this year, over 500 students have processed GSL applications for an average loan request of $2,210 each. If we project a 25% reduction in these funds, loans would be reduced by up to $275,250 per year for 1986-87.

5. Federal Title IV Aid, including Pell, Campus-based, and GSL would be limited to $4,000 per year:

While average aid through the 1984-85 year to date for all aid applicants totals $1,625 for over 6,400 applicants, it is perhaps reasonable to assume that as many as 500 students would exceed the $4,000-per-year limit when we include all Title IV Programs. A reduction in needed funding could limit student enrollment.

6. CWS funding would be increased and institutions permitted to transfer up to 50% into a "Grant" program to replace SEOG:

We might anticipate an increase in CWS funding of approximately $200,000-$250,000 per year. However, this increase is still a net decrease of current, combined CWS and SEOG funding (up to $250,000 net decrease).

7. Students who do not possess a high school degree or its equivalent would not be eligible to receive any Title IV aid funds:

Some current students are enrolled because they are "beyond the age of compulsory school attendance and have the ability to benefit despite lack of high school diploma or recognized equivalency." The change to require a diploma or GED would totally eliminate students who qualify on ability to benefit from all eligibility for Title IV aid. It may be that up to 20% of current recipients would be denied if such regulation were enacted.

Mr. FORD. Thank you very much.

Dr. Breneman.

Mr. **Breneman**. Chairman Ford, Congressman Williams, I want to thank you for holding these regional hearings and leaving Washington to go out on the trail and hear from the grassroots level of what we all think and care about.

From my prior years of experience in Washington at the Brookings Institution, I had occasion to testify in front of this committee from a somewhat disinterested position and I am delighted now to have the opportunity to talk to you as the president of a private liberal arts college.

I am going to limit my comments to the student aid dimension of the reauthorization, but as a backdrop to that, and in consideration of some of the comments that have been emanating from the administration in the last 2 to 3 months about the outrageous rip-off nature of current Federal student aid. I want to provide you just a very brief backdrop of the economics of providing higher education in a private liberal arts college.

Kalamazoo College enrolls 1,100 students. It is a 4-year 999 residential institution and Carnegie classification suggests that there are approximately 700 such institutions in the United States. I don't claim that ours is representative, but on balance, I suspect many small liberal arts colleges would have figures not dissimilar to ours.

Now, of these 1,100 students, currently 577, or 52 percent, are receiving need-based aid, and if you happen to have a copy of my testimony up there, I have got three brief tables that highlight how that aid is distributed.

Our cost, by the way, our tuition, room and board this year is $10,000 and we have about $800 in additional incidental costs that go into the initial calculation of the cost of education. Now, the average need-based package of those 577 student—the average need totals just short of $7,500, but it is instructive to see how we try to put that together in the average package.

The first little table lays that out. The first two components are the Michigan differential grant and the Michigan competitive scholarship, which total, for a Michigan resident, $1,700. The college grant of 340 enters in; SEOG at 450; NDSL at 1,500, work study at 1,000. That brings up a package that we can directly control just short of $5,000 and then we recommend a 2,500 GSL on top, bringing a total package of 7,500.

Now, what is striking, I think, when you look at that, and this is sort of the average case at the college, the first thing you observe is there is no program. This is the rock-bottom basis of Federal grant aid to American higher education, but in the average case, the average family at Kalamazoo would be just above the income levels that would allow us to integrate a Pell grant in this average instance. That doesn't mean we don't have Pell grants at the college; the next table addresses that, but I think that is an important point.

Second, if you look at that $7,500 in this average case, you have got a loan total of 4,000 and a work total of 1,000. That means that $5,000, or two-thirds of this package, is coming in loans and work and I would argue that this hardly conforms to the image of the middle-class family ripping off the system through large and lucrative Federal grants.

Third, I think it is important to note the extreme importance to us of the Michigan State grants. We are extremely dependent on those and would be hard-pressed to make up their loss through other means.

Finally, just because there has been a lot of confusion about merit versus need-based aid, I would like to clarify my understanding of the way we supplement these packages with our own institutional unfunded aid. The way we do it is not by piling on merit aid on the heads of students who don't need aid, but rather, we try to allocate our money into this package in such a way that we substitute dollar for dollar the Kalamazoo College grant for guaranteed student loans.

We will typically take a package like this and try to add 1,000 to $1,500 in K grant and reduce the GSL component equivalently.

We are very uncomfortable and I share the sentiments of many of our other analysts and of the chairman of the prospect of students borrowing as much as $4,000 a year to attend higher education and we do everything we can, and that is where the largest part of our grant aid goes, to reduce that loan burden.

Now, another way of looking at the relative importance of the various forms of Federal support at the college is highlighted in the second table, which I won't go over, but essentially the Pell grant component is about $243,000 in revenue and aids 200 students out of 1,100 at the college. SEOG is 171,000 and aids 341 students. College work study aids 314. That is a very critical component. NDSL, between the new and revolving fund, aids 410 and we have an estimate that approximately 600 of our students are borrowing an equivalent of 780,000 in GSL.

Again, I guess the noteworthy thing is as we put these figures together from my standpoint is the extreme importance of the three campus-based programs and GSL, just in sheer dollar and student terms.

The third brief table included in the testimony gives you some figures from the 12 Great Lakes College Association colleges that were mentioned earlier this morning. These are private liberal arts colleges like Kalamazoo in Michigan, Indiana and Ohio, and we have pulled our figures together for what our aid packages look like in 1980-81 and then 4 years later in 1984-85.

Again, I think these statistics give the lie to some of the assertions that we are hearing emanating from the administration. For these 12 colleges combined, Federal need-based grants have been essentially flat at about $7.6 million over this 5-year period, and of course, in real terms, therefore, the real value of the dollar is down by the rate of inflation over that period.

The State need-based grants are up by about 40 percent, indicating the growing importance of these grants and they are very close to equaling the value of the Federal grants now, but the big jump, the way we have all been meeting these needs for higher education, and I think this is really very representative around the country, is the jump from $13 million to $26 million, or nearly 100 percent jump in the institutions' need-based grants that we are putting in out of our own operating budgets. These are dollars we could be allocating to faculty salaries, could be allocating to libraries, could be allocating to deferred maintenance, but in fact, we are putting them into these packages to reduce that loan burden that I earlier mentioned.

The merit aid, straight merit aid without reference to need, has increased as well as the data indicate that the dollars, from $1 to $2 million, from $1.4 to $2.7 million, are still miniscule. It is interesting to note that the Federal loans calculated here and reported here have actually dropped by 11 percent over this period and I think and assume that represents the income capping of GSL that occurred in 1981-82, so that I expect on a per capita basis, the figures would look differently.

My conclusions—and I asked my aid people to put these data together because I was sick of hearing all of these assertions about how all this lucrative Federal money rolling around and how the students are exploiting the various taxpayers and so on.

I think these data are a very realistic and tough-minded look at how we are actually trying to put together packages that make it possible for students to attend our schools.

Four quick comments on reauthorization. My first suggestion is I hope you do consider seriously the NAICU proposal for Pell grants. I was in Washington meeting with the board of directors of NAICU 2 weeks ago when we debated seriously whether we would submit our own proposal or buy into the ACE compromise package. I think the conclusion all of us reached was that the NAICU proposal was sufficiently interesting that at this early stage in reauthorization, we did not want to squelch discussion and consideration of interesting ideas.

The idea, in a nutshell, as I understand it, is that there would be a maximum $2,100 grant in the first year for tuition not to exceed one-half of tuition and a separate maximum cost-of-living grant of $2,100 that would phase out when family income exceeded 150 percent of the official poverty line.

Now, I think personally this addresses something that has plagued Federal student aid policy for over a decade, namely, how to be tuition-responsive, which is a concern of our institutions, and how to be responsive to the living costs of the lower income students in both public and private institutions, and I sincerely hope that this committee will take a careful look at the NAICU proposal.

My second recommendation is that we need to adopt a more realistic living standard for the computation of the family contribution. Again, it is my understanding that the current system assumes that a family of four can cover the cost of food, shelter and clothing for somewhere in the range of $9,000 to $11,000 per year in after-tax income and then the income above that is then eligible for factoring into college costs.

I simply submit this cost-of-living standard is outdated and virtually impossible to meet and I hope that as you get into the technical parts of the reauthorization, you will look carefully at that factor.

Third, and this my student aid officer felt quite strongly about, was the feeling that the need for the central processor for Pell grants, which I guess is in Iowa City, is no longer needed; that, in fact, this has become a duplicative waste of everybody's time and money, that we have to, at the campus, calculate everything that is in that package that Iowa City calculates on its own behalf, and furthermore, the process of sending paper to Iowa City, submitting it back to the student, having it get lost and so forth, winds up putting a lot of delay into the process of actually getting the money out.

It is our feeling that the normal audit review process can take care of any accountability concerns that were part of the reason for the central processor and that student aid officials are now sufficiently canny, sufficiently well trained and knowledgeable to be able to handle that function on their own.

Finally, I won't go into the details. I listed here a number of technical regulations that are in the legislation that no longer seem to us to serve a terribly important purpose. Some of them are controversial. One is the requirement about the selective service compliance. It is our understanding that a recent survey on that showed that roughly 97 percent of the students receiving aid were properly registered and I guess we would question whether this whole rigamarole of compliance really means very much now when that seems not to be quite the volatile issue that it was a few years ago.

Let me close by just mentioning an idea that several of us have come up with in the last couple of months that indicate the kind of thinking that is going on in our community as we experience and reflect on the budget pressures that Congressman Williams mentioned. We know that budget deficit is a tough one; we know that the pressure is coming to bear on the middle and upper middle student; the pressure to get that student out of GSL and get that student out of grant programs. If that is going to be the direction the Federal policy pursues, we are, in our own best interest, going to have to look for new sources of funds and a number of us have been interested in the educational savings account idea, sort of modeled on the IRA, but it has occurred to us recently—in fact, as I was doing my own income taxes, I realized this year that that is almost a mandatory $4,000 that a two-earner family puts away, and for most people, this is probably going to be all of the savings that anybody manages to save in a given year. It is certainly going to be the first 4,000, and our suggestion is, if the administration is going to push these middle-income students out of loan and grant programs, we need to be able to allow these families to tap these IRA accounts and draw them down, maybe up to a certain limit—maybe the first—maybe 50 percent of the accumulations or something of that effect—draw that money down, transfer it to the student and let the student use that money for valid higher education costs.

This would mean having the ownership of that asset transferred to the student so it would be taxed to the student's income. It would also mean eliminating the 10-percent penalty tax, but it seems to us if this is going to be the major pool of savings and it is, I think, all of our policies to want to encourage families to save for higher education, one of the criticisms of student aid has been the disincentive effect, that those families that do save wind up being penalized by the assessment systems. It seems to us this is an idea that is worth pursuing and I hope all of us will have an opportunity to hear more about it in future months.

Thank you very much for this opportunity to testify.
[Prepared statement of David Breneman follows:]

Prepared Statement of David W. Breneman, President, Kalamazoo College

My name is David W. Breneman and I am President of Kalamazoo College, an independent four-year liberal arts college enrolling 1100 students. As an independent institution we do not receive direct state appropriations, and therefore must meet our costs through a combination of tuition, endowment earnings, private giving, and federal and state student aid programs. Tuition, room and board at Kalamazoo College this year is $10,000, and an additional $800 in incidental costs is included in our student aid budgets. As an independent four-year liberal arts college, Kalamazoo College is representative of a group of nearly 700 such institutions in the United States.

STUDENT AID AT KALAMAZOO COLLEGE

In the current year, 577 of our 1100 students (52%) are receiving need based aid, with the average aid package totalling $7,500. It is instructive to see how that $7,500 aid package is made up:

Composition of average need-based aid package Kalamazoo College.—1984-85

Michigan differential grant	$400
Michigan competitive scholarship	1,300
Kalamazoo college grant	340
SEOG	450
NDSL	1,500
CWS	1,005
Subtotal	4,995
Recommended GSL	2,500
Total aid	7,495

Several aspects of this average aid package are noteworthy:

(1) Although need is estimated at $7,500, this average package contains no Pell award. Family income for this average case is in the low to middle $30,000 range, which means that the student is not eligible for Pell grant.

(2) Loans in this package total $4,000 per year, a $2,500 GSL and a $1,500 NDSL. College Work Study adds another $1,000, meaning that $5,000, or two-thirds of this package, is made up of loan and work. This hardly conforms to the image of the middle class family "ripping off" the system through large and lucrative federal grants.

(3) The amount of federal grant aid in this typical package is limited to a $450 Supplemental Equal Opportunity Grant. The institution's own grant funds total $340, while the student receives $1,700 in grant aid from the State of Michigan.

(4) Kalamazoo College, like all independent colleges, provides some direct grant aid to meritorious students. Were we to do so in the case of this average package, we would add perhaps $1,000 to $1,500 of institutional grant aid, reducing the amount of GSL by that amount. We are not comfortable with students borrowing as much as $4,000 per year, and try to reduce the loan burden with our own funds whenever possible.

Another way of considering the relative importance of various forms of federal support at Kalamazoo College is highlighted below:

REVENUES RECEIVED BY KALAMAZOO COLLEGE STUDENTS FROM FEDERAL STUDENT AID PROGRAMS, 1984-85

	Revenues	Number of students aided
Programs:		
Pell	$243,000	200
SEOG	171,000	341
CWS	281,000	414
NDSL (new)	186,000	410
NDSL (revolving)	302,000	
GSL	[1] 780,000	600

[1] Estimated.

What is noteworthy in this table is the great importance of the three campus-based programs and GSL to a college such as Kalamazoo.

To give the Committee another perspective on how the distribution of aid for college students in independent liberal arts colleges has shifted over, the attached table containing information from the twelve Great Lakes College Association (GLCA) colleges is illuminating. Note that the federal need-based grant component has been essentially flat in current dollar terms between 1980-81 and 1984-85, meaning that the real value of these grants has been reduced by the inflation rate over these years. The GLCA states of Michigan, Ohio, and Indiana have increased their aid by roughly 40%, while the largest increase, both in percentage terms and total dollars, has been the institutions' own funds, which doubled in this five-year period from $13 million to $26 million. Federal loans have declined because of the income cap imposed on the GSL program in 1981-82. Merit-based aid has also increased, but the dollars remain relatively small. In my view, this table should put to rest the arguments that the institutions are not doing enough for their own students, and that we are enriching ourselves through the federal grant programs. For many independent colleges, institutional student aid is by far the fastest growing budget item.

REAUTHORIZATION PROPOSALS

1. Consider seriously the NAICU proposal for Pell grants.—With regard to the forthcoming reauthorization of student aid programs, I endorse for Committee consideration the NAICU proposal for Pell Grants that would distinguish direct educational costs from living costs and fund each separately. As I understand it, in the first year there would be a maximum $2,100 tuition grant, not to exceed one-half of tuition, and a separate maximum cost-of-living grant of $2,100, that would phase out when family income exceeded $150% of the official poverty line. This proposal is a fair and effective effort to address concerns that have plagued federal student aid policy for years. A desirable federal grant policy should be both tuition responsive (a concern of independent institutions) as well as responsive to the separate burden of living costs that concerns low income students at all institutions. While every effort is being made in Washington to have higher education associations speak with one voice on reauthorization, interesting new ideas should not be excluded from discussion, and I believe there is considerable merit in this proposal for students in all sectors of higher education.

It is important to restructure the Pell Grant in this fashion for, as we have seen in the data for Kalamazoo College, our average need-based aid recipient currently does not receive a Pell Grant, and thus is forced into high levels of debt. There are limits to the amount of institutional grant aid we can make available, and the data for the GLCA colleges indicate that all of us have been increasing such aid at a

FINANCIAL AID FOR GLCA COLLEGES—1980-81 TO 1984-85

	1980-81	1984-85	Change (percent)
Total enrollment	20,121	18,777	−6.7
Number of students receiving need-based aid	8,421	8,973	+6.6
Percentage of students receiving need-based aid (percent)	41.8	48.7	
Federal need-based grants [1]	$7,617,208	$7,738,969	+0.3
State need-based grants	$4,584,424	$6,462,050	+40.9
Institutional need-based grants	$13,475,853	$26,699,441	+98.1
Total need based grants	$25,677,485	$40,900,460	+59.2
Federal loans [2]	$22,993,317	$20,219,885	−11.8
Institutional merit aid	$1,465,620	$2,729,435	+86.2

[1] Pell grants, SEOG's, and federal portion of college work study.

[2] NDSL's and estimated GSL's.

Note.—Based on data from 11 colleges (Antioch data not available.)

greater rate than any other form of support. If we are to reduce the debt burden on lower and middle income families, the Pell Grant must cover a larger share of the cost for more students. We should all be concerned by the alarming increase in the percentage of the very lowest income students—those woth family incomes in 1979-80 of less than $6,000—who are borrowing under the GSL program. In 1979-80, 15% of these low income students in independent colleges had GSL's while by 1983-84, fully 55% of students in the same inflation-adjusted income class had GSL's.

2. Adopt a more realistic living standard for computation of family contribution.—Effort should be made to recognize a more realistic standard of living for middle income families as we include them in the formal aid process. The Bureau of Labor Standards Low Income Budget does not in any way reflect the real costs associated with a simple middle class lifestyle. The standard used must not allow luxury, but asking a middle income family to provide an educational contribution based on assumed costs for food, shelter and clothing of approximately $9,000 to $11,000 per year in after-tax income is simply unrealistic. I urge the Committee to review this matter carefully as part of the Reauthorization.

3. Eliminate the central processor for Pell Grants.—The Pell Grant system takes data from the free federal application (used by less than 20% of the institutions as complete application for federal and institutional aid) or from the computer tapes of the non-profit processors (ACT or College Board). The Department permits schools to use the data provided on the FAF for calculation under Uniform Methodology and permits us to make adjustments when determining eligibility for other forms of federal financial aid. Adjustments mandated by the Pell validation system could easily be made at the institutions and audited in the regular audit/program review process. Such adjustments are very clearly delineated, and processing each one back through Iowa City is a waste of institutional time and money, as well as taxpayer's money. College aid officers determine the necessary changes, help the family to complete the forms, calculate the change in the award, and then must mail the papers back to the processor so that a fresh set with the same information can be mailed to the student's home. The student is by now at school, and has to get the paperwork to the college before funds can be released. Additionally, because the institutional aid officer has access to the student, questions can be resolved on campus which currently must loop through the Pell processor's system. An example would be a case where income does not match well with family size. Asking the family to repeat their answers three or four times, with three or four mailings back through the processor's system, often does not resolve the question, and can prevent the student from enrolling because the funds cannot be released. This system of central processing has outlived its usefulness now that aid officers are more experienced.

4. Eliminate regulations that no longer serve a purpose.—Included here would be Selective Service Compliant statements, most entries on the Financial Aid Transcript, the distinction between initial year and continuing year SEOG's, and the state allocation system for campus-based aid.

These are leftovers from legislation that is no longer relevant or has little impact on the aided population. The Selective Service test which showed that 97% of the students receiving aid were properly registered, shows that this requirement is no longer necessary.

The Financial Aid Transcript is now only relevent for mid-year transfers and for NDSL and GSL cumulative limits on between year transfers. These transcripts provide one more hurdle for students in the process of choosing the proper curriculum for their studies.

SEOG initial year and continuing year distinctions are now used only in reporting on the FISAP and are not part of the funding and account use functions. Little relevant data have come from these distinctions and requiring colleges to go through the exercise of separating them before awarding serves no useful purpose.

In a time of population migration, the effect of the state allocation system is counterproductive to the educational purpose of the programs. State allocation is politically popular, but it does nothing to direct the funds to locations where students attend college.

Let me close by mentioning briefly another idea that falls outside this Committee's purview, but is indicative of the type of thinking we all must do if we are to maintain a soundly financed system of higher education. I believe that over time the majority of savings of middle and upper income families in the United States will be directed to Independent Retirement Accounts, for the tax incentives virtually dictate that the first $4,000 of savings each year for a two-earner family go to IRA's. As the federal deficit problem squeezes more and more of the middle and upper income families out of federal grant and loan programs, we must allow these families to tap their principal source of savings for education costs. There have been proposals over the years for educational savings accounts, modeled on the IRA's, but we could simply use the existing IRA system and allow individuals to draw down some portion of their IRA accounts each year for legitimate educational costs. To make this attractive to families, they must be able to transfer ownership of the income to the student, so that it would be taxed at the student's rate rather than the family's. The 10% penalty tax on early withdrawals would also have to be eliminated.

Many of us in higher education believe this is an interesting new proposal that warrants serious study, and I alert this Committee to the fact that interest in the idea may grow. One of the challenges will be to integrate such a system with our current student aid programs.

Mr. FORD. Thank you.

Jerry, we are going to have to abbreviate a little bit because Congressman Williams has to catch a plane to go back to Washington. He has a couple of questions before he leaves and then we will go on after Pat has asked his questions.

Mr. WILLIAMS. Thank you, Mr. Chairman. I dislike not hearing the rest of this panel and the next one as well, but I am going to have to move very quickly here if I am going to get my plane. I have another meeting in Washington this afternoon.

I have been here 2 days and have found it rewarding and informative, particularly the specific suggestions and counsel that folks here in Michigan have given to us. I am encouraged as a member of the Budget Committee to find educators here, as well as in other States, saying that restraint is necessary, including in their own efforts, that I find some people who believe that we can, through some manner or other, raise taxes, at least on some people in this country and do it in a fair way, and almost everywhere I go, here in Michigan as well as in my home State of Montana, people correctly point to defense as a place where the Budget Committee has to place a great deal of focus is we are to reduce this deficit to any significant degree.

It is interesting to note that the entire amount of money that the administration proposes to save on student financial assistance, the entire amount of money will be spent by the Pentagon, starting this morning at 9:30 by Wednesday. In other words, if you start the spending clock ticking when this hearing started, by midweek, the Pentagon will have spent all of the savings for student financial assistance. So it is obvious that there is quite a bit of money to be had there.

In Montana, we know about your deep commitment in this State to higher education and to all education and we know that probably no State recognizes the benefits of the well-educated work force more than does this State of Michigan. Our State, as well as many others, look to you as a national model.

Finally, let me tell you, there are 435 Members in Congress. I don't say this in an obligatory way at all. There are 435 Members in Congress, in the House of Representatives. There isn't one, not one, that is more effective than Bill Ford. Not one. He is effective because he knows how to conserve his energies and focus on those issues which are most important to his constituents.

Every time Bill Ford focuses those energies, Bill Ford gets his way in the Congress of the United States. You are fortunate to have two full committee chairmen. We in Montana think there should be a law against any State having two full committee chairmen, but neither Michigan nor Massachusetts will let us pass that type of a law.

I am delighted to be here with my friend, Bill Ford, and I am delighted to have spent the last 2 days with you. Now, off to your airport.

Thank you.

Mr. FORD. Thank you, Mr. Williams.

Dr. Gerald Faye.

Mr. FAYE. I am Gerald Faye, professor of political science at Oakland Community College and president of the Michigan Association for Higher Education.

MAHE is the State higher education affiliate of the Michigan and National Education Associations. We represent higher education faculty on 30 Michigan 2-year and 4-year campuses, both public and private.

I am going to cut my remarks short because I know you have much of this in the record. I do want to make the first comment, though, that I think it is important that the committee be aware that faculty on the campuses of Michigan do, indeed, support almost every proposal that has been made by the eight representatives of the public institutions that have spoken before me.

MAHE endorses NEA's legislative guidelines proclaiming that Federal programs traditionally have met and in the future should continue to meet four basic objectives: development of the Nation's intellectual capital; research in the development of knowledge; institutional diversity and excellence; and equality of educational opportunity. The NEA's current resolution on postsecondary education adequately states the appropriate Federal role in higher education. NEA believes that the funding for Federal programs supporting postsecondary education must be maintained. To do otherwise would devastate the quality of programs offered, severely reduce access to postsecondary education, damage equal education opportunity, and limit the variety of programs currently available for choice by students of all ages.

NEA supports funding of Federal student financial assistance, both grants and low-interest loans so that all students who so wish may have available the funds needed to pursue postsecondary education at either 2- or 4-year institutions.

Today, we wish to indicate our full support for reauthorization of the Higher Education Act. Although we support strengthening of the entire act, we would focus our testimony today on four key titles: title III, institutional aid; title IV, student assistance; title V, teacher preparation; and title IX, graduate education.

My years as a community college professor have demonstrated to me the essential role our Nation's 2-year community, junior and technical colleges serve in meeting needs of nontraditional and disadvantaged students. In Michigan, the Governor's Commission on Higher Education has recommended that community colleges be designated as a primary institution for job training and retraining. Michigan's economic problems over the past 5 years have resulted in reduced funding levels for all higher education institutions. Community colleges continue to struggle to maintain their academic programs.

MAHE strongly urges continuation of the community college set-aside in title III. In the allocation of Federal programs and resources, all obstacles to treating these institutions differently from other postsecondary institutions should be removed.

I will not go on to express what you have before you in the record on our attitudes on student assistance. They have been well stated already. I would like to comment on the teacher corps and teacher training program. We have noted the mutual interest of all educational levels in upgrading the quality of teaching, learning, and research are clear. The challenges of a changing world economically, technologically, demographically, and socially face each educational level.

I would also like to make sure that it is clear that title IX, the graduate programs, do receive specific support from both Michigan Education Association and the National Education Association. With its emphasis on scholarship and research, graduate education provides great strength to our system of higher education. MAHE believes we must expand our national commitment to graduate education.

The rest of the comments you have before you. I won't go on to repeat them, but I would like to reiterate once again that the faculty of the colleges in the State of Michigan support the comments you have heard today.

Thank you.

[Prepared statement of Gerald Faye follows:]

PREPARED STATEMENT OF GERALD FAYE, PRESIDENT, MICHIGAN ASSOCIATION FOR HIGHER EDUCATION (MEA/NEA), YPSILANTI, MI

I'm Gerald Faye, professor of political science at Oakland Community College and president of the Michigan Association for Higher Education. MAHE is the state higher education affiliate of the Michigan and National Education Associations. We represent higher education faculty on 30 Michigan two-year and four-year campuses.

MAHE endorses NEA's legislative guidelines proclaiming that federal programs traditionally have met and in the future should continue to meet four basic objectives: Development of the nation's intellectual capital; research and the development of knowledge; institutional diversity and excellence; and equality of educational opportunity.

The NEA's current resolution on Postsecondary Education (No. VIII) adequately states the appropriate federal role in higher education: "NEA believes the funding for federal programs supporting postsecondary education must be maintained; to do otherwise would devastate the quality of programs offered, severely reduce access to postsecondary education, damage equal educational opportunity, and limit the variety of programs currently available for choice by students of all ages. NEA supports funding of federal student financial assistance, both grants and low-interest loans, so that all students who so wish may have available the funds needed to pursue postsecondary education at either two- or four-year institutions."

Today we wish to indicate our full support for reauthorization of the Higher Education Act. Although we support strengthening of the entire Act, we will focus our testimony today on four key titles: Title III: Institutional Aid; Title IV: Student Assistance, Title V: Teacher Preparation, Title IX: Graduate Education.

TITLE III.—INSTITUTIONAL AID

Over the past several years the federal government has reduced its funding for many postsecondary programs at the same time that many states—especially Michigan—have severely reduced their support for postsecondary institutions. The result has been that many vital functions of colleges and universities have been cut drastically.

Colleges which serve primarily disadvantaged students and which must struggle to provide quality education must have special assistance to strengthen their academic programs and management. Priorities should be maintained for categorical programs directed at specific national needs to strengthen developing institutions such as the nation's historically Black colleges.

My years as a community college professor have demonstrated to me the essential role our nation's two-year community, junior, and technical colleges serve in meeting needs of nontraditional and disadvantaged students. In Michigan the Governor's Commission on Higher Education has recommended that community colleges be designated as the primary institutions for job training and retraining. Michigan's economic problems over the past five years have resulted in reduced funding levels for all higher education institutions. Community colleges continue to struggle to maintain their academic programs. MAHE strongly urges continuation of the community college setaside in Title III. In the allocation of federal programs and resources, all obstacles to treating these institutions differently from other postsecondary institutions should be removed.

TITLE IV.—STUDENT ASSISTANCE

Student financial aid programs have become a major element in the fiscal health of our diverse system of postsecondary education institutions. The central role of federal higher education assistance has been the advancement of equal educational opportunity through the removal of financial barriers which might otherwise prevent qualified students from pursuing a postsecondary education. MAHE supports the following guidelines:

(1) Funding of federal student financial assistance, including grants, low-interest loans, and workstudy, should be sufficient to allow all students to pursue postsecondary education. The main form of federal financial assistance to students should be grants first, then low-interest loans and workstudy to enable disadvantaged and middle-income students to attend postsecondary institutions.

(2) There should be stability in aid formulae; frequent changes through either legislative or executive action must be avoided so that students and their families, as well as institutions, can engate in reliable financial planning.

(3) The Pell Grant program and other such grant programs serving low-income students should receive periodic increases in the maximum grant and living allowances to ensure that inflation does not erode the value of the award. Artifical limits on the proportion of funds that students are eligible to receive, such as the "half-cost limitation," should be removed. To meet critical shortages and to extend programs to areas which require more than four years for graduation or certification (such as engineering and computer sciences or teaching), Pell Grant eligibility should be extended to a maximum of six years to those students making satisfactory progress toward their degrees or certificates.

(4) The income cap on Guaranteed Student Loans (GSLs) should be raised. The in-school interest subsidy for GSLs should be maintained, and student loan origination fees should be eliminated. The annual and cumulative loan maximums for both undergraduate and graduate students should be increased.

(5) There should be adequate grant programs to ensure that student loans are supplemental, and that students are not forced to incur a high debt burden in order to obtain an advanced education.

(6) Adequate funding should be ensured for campus-based aid programs such as the Supplemental Educational Opportunity Grants, National Direct Student Loans, and College Work-Study.

(7) The TRIO programs which provide valuable outreach, counseling, tutoring, and remedial services should be strengthened and expanded.

(8) Scholarships, fellowships, and loan forgiveness programs should be developed to attract talented students into fields of critical national importance which are currently experiencing labor shortages.

(9) Efforts should be made to relate college work-study to the student's academic field of interest whenever possible.

(10) The computation of expected family contribution for student aid eligibility should realistically take into account the individual or family financial burdens which would prevent some prospective students from entering postsecondary institutions.

(11) Graduate and professional education should be enhanced through support and development of grant and fellowship programs for these students. A broad needs-based grant program for graduate students should be created.

TITLE V.—TEACHER CORPS AND TEACHER TRAINING PROGRAMS

Mutual interests of all educational levels in upgrading the quality of teaching, learning, and research are clear. Challenges of a changing world—economically, technologically, demographically, and socially—face each eductional level. Despite these common interests, K-12 and higher education interests have not always worked well in the past. Programs which promote collaboration between elementary and secondary teachers and faculty of postsecondary institutions should be encouraged.

The quality of instructional excellence in Michigan's educational institutions is contingent upon the competencies of its faculties. Faculty performance in all disciplines at all educational levels—from kindergarten through graduate school—can and should be enhanced by providing professional growth opportunities. Changing demands of the 1980s have created an ovesupply of teachers in some areas and shortages in others. A variety of professional development opportunities for K-12 teachers, higher education faculty, and staff should be encouraged through federal legislation, including research projects, sabbatical leaves, summer institutes, and international exchange programs.

TITLE IX.—GRADUATE PROGRAMS

With its emphasis on scholarship and research, graduate education provides great strength to our systems of higher education. MAHE believes we must expand our national commitment to graduate education. The five parts under Title IX have not been funded as adequately as they should be. Specific examples are as follows:

(1) Part A authorizes a program of Grants to Institutions of Higher Education designed to maintain, strengthen, or improve the quality of graduate and professional programs (other than medical) leading to advanced degrees or programs that prepare graduate and professional students for public service. Funding has not been provided for Part A for the past few years. It should be adequately funded.

(2) Part B of Title IX authorizes a program of Fellowships for Graduate and Professional Students. No fellowship award may exceed $4,500, or the demonstrated level of financial need, whichever is lesser. Only limited funding has been provided for Part B. It should be fully funded.

(3) Part C authorizes a National Graduate Fellows Program, which awards not more than 450 fellowships annually for graduate study in the arts, humanities, and social sciences by students of superior ability. No funding has been provided for Part C. It should be fully funded.

(4) Part D authorizes a program of Assistance for Training in the Legal Profession ("CLEO"). The CLEO program helps students from disadvantaged backgrounds undertake training for the legal profession. Only limited funding has been provided for this section of Part D. It should be fully funded.

(5) Part D also authorizes the Law School Clinical Experience program, which provides assistance to accredited law schools for establishing or expanding programs of clinical experience for students in the practice of law. Only limited funding has been provided for this section of Part D. It should be fully funded.

Thank you, Mr. Chairperson, for allowing us to present our testimony here today.

Mr. **Ford**. Good. Thank you very much.

Dr. Breneman, I find your recommendation to be extremely interesting. I want to tell you, that is going to be a tough one. I didn't think there was a way to exacerbate the Pell grant between types of institutions as readily as that formula change suggests and that tells me that we are going to have to have a lot of meetings with a lot of people to talk about compromises, as we did in 1979 with some degree of success.

I hope that contained in that recommendation is the element of an opening offer for negotiation. In the best of all possible worlds, I think it makes all kinds of sense, but when dealing with finite resources—and that is what we are dealing with—what it does is shift the resources rather dramatically. It responds to your most serious problem. When you talk about tuition, looking at the institutions represented here, tuition at Eastern Michigan is $1,443; at Kalamazoo; it is $7,315; at Siena Heights, $3,720; University of Detroit, $5,460; University of Michigan, a measly $2,218; and Wayne County Community College, $800. You can see the disparity between the two ends of that table with your formula and I know we will have to do a lot to try to get it someplace between Father Mitchell and Phil Runkel there and get some kind of an agreement.

We have been trying to encourage that on both ends of the scale and I would say to you that one of the pleasant things I have learned in now my 21st year on this committee is how fortunate we are in Michigan, frankly. In a number of States—and I won't identify anybody to embarrass them—they have not developed the kind of tradition of cooperation between private and public institutions that I have experienced here, both in the legislature and in the Congress. While there is friction, understandably, compared to what we have to deal with at other places, it is indeed pleasant to work in the atmosphere of Michigan. It is a fine part of the tradition of Michigan's citizenry's commitment to education that I think makes this possible. Maybe it is because we don't have any Harvards around to dominate everybody and scare them away.

Father Mitchell, your school would be, by population, the largest private school in the State, would it not?

Father MITCHELL. Yes, that is right. Yes, it would be.

Mr. FORD. Minority counsel has handed me a note here and I will share it with you and see what your reaction is.

We seem to be getting mixed signals. We are told that reauthorization must include increased funding levels for student aid and other HEA programs. We have also been told that a Government-wide freeze, along with revenue increases, would be necessary to control the deficit and would be acceptable, assuming education doesn't have to carry an unfair burden of the budget problem, and he asks this question: How can we explain this message to other Members of Congress? How would you explain it?

Mr. BRENEMAN. I would explain it by simply saying we are distinguishing here between the current budget process and reauthorization which enacts legislation governing programs for 5 years. I would certainly, speaking just for myself, be fully content in the current fiscal environment to accept and live with a freeze, somehow defined, across all domestic and defense programs. I would do that, recognizing full well that will hurt us in some respects, but also recognizing that the deficit is a big problem, too, and I want to see interest rates come down and I think the deficit contributes to their high level, but I don't want to lock in a freeze as a reauthorization proposal for the legislation governing programs for the next 5 years.

My hope is we will get out of this deficit situation sometime in that period, although it is not entirely clear that we will.

Father MITCHELL. Perhaps another way to put it is we are trying to say two different things, I think. First of all, we are trying to make a statement of real need that we have in the higher education community and I think that speaks to the need for sometimes getting increased appropriations. However, we would also be very serious in the fact that everybody should sacrifice to help with the present difficulty and I think what it points up to is that if we do stay with level funding, with a freeze, we will be making real sacrifices. That is really cutting into the genuine need that we have and not just getting rid of unnecessary frills or unneeded programs.

Mr. **Ford**. Anyone else care to take a shot at it?

Mr. **Runkel**. I think they have done a fine job.

Mr. **Breneman**. Can I just add that one of the things, and Congressman Ford knows this well, one of the things that is more damaging to us than almost anything that actually happens in the world is the tremendous uncertainty about aid, that these Draconian cuts that we get highly publicized and 8 months later, when the old reality comes out and the cuts aren't made as strongly, a lot of the damage has been done. That is another reason why I have some sympathy in the short run for a freeze.

Mr. **Runkel**. The chilling effect.

Mr. **Ford**. I understand that and that is why college and university presidents are faced with schizophrenia at the moment. On the one hand, they would like to have their students and parents contacting the Congress to tell them how important it is; on the other hand, they don't want to panic them.

Dr. Adamany told us a couple of months ago that they went back and checked. In 1981, when the Gramm-Latta budget passed, it was given so much publicity that people assumed that that had happened and that was what the picture was going to be.

While we weren't able to recover entirely from it, it didn't turn out to be as bad as it was described. Wayne believes that it had a 22-percent drop in applications for student aid in the next enrollment period after that period of publicity. I visited the University of Denver recently and the chancellor shared with me a letter that he had sent to all of his students on student aid, in which he tried to stay on both sides of the street by first telling them how difficult it was going to be if these budget proposals did, in fact, go into place, but emphasizing that Congress would have to act before they did and there was still time to express their concern.

Then, more importantly—and in any hearing in this State, it is important to have this out and repeated to the public. We are talking about—in the instance of reauthorization—what the program will be in the 1987 school year. So that reauthorization itself is not going to disturb the status quo prior to that time.

The immediate problem, of course, is the budget resolution now being acted on in the Senate, which will be acted on sometime soon in the House, because, by the reconciliation process, some of the substantive changes in the law might be accomplished on a relatively permanent basis. I think it is important to get the message across that nothing is going to happen to anybody who is making their plans for this year or next year unless the budget is adopted and that is where their attention has to be.

My hunch is that the original proposals are not flying very well. The Senate is not dealing very kindly with them and I expect the House to be even less kind to them when it comes to us.

Your description of a freeze interests me because, in my own conversations with the Budget Committee, I have indicated to them that if they will freeze everybody at 1985 dollars for this coming fiscal year, we will throw higher education into the pot with it, but if they should freeze it after we get the supplemental that is moving right now on Pell grants because that would leave us with a horrible shortfall if we were frozen at the now-appropriated level.

The House subcommittee has, I think, moved out the supplemental for $2,100 and 60 percent of cost. Now, what happens to it when it gets to the White House is not something I can guess about, but if we can get a freeze concept that adopts that idea that whether we have the money or not, that is the level that we need to stay frozen because the estimates that were used to determine the Pell grant appropriations last year were based on the Department's estimates, which our committee indicated were inadequate, but which the appropriations committees accepted and now we have a shortfall of, what, about $800 million?

I am not able to predict what will happen, but the failure of that supplemental to pass would impact on present Pell recipients before the end of this year. There is some sense of urgency in the Appropriations Committee to move with it for that reason. It will be at least sympathetically considered on the other side because the Republican chairman has indicated that he is sympathetically disposed—charitably disposed toward the idea.

I don't think that a majority of the Republicans on my committee, as well as the Democrats, are very much impressed with Mr. Stockman's opening offer on the higher education cuts. I am pleased to note that the minority submissions to the Budget Committee—while on its face it is certainly not as generous as mine, indicates they put an awful lot of effort into coming up with some savings without doing real damage, without throwing the baby out with the bathwater. So I am very comfortable that the Republicans on the committee and in the House and Senate are more in agreement with what we want to achieve than what Mr. Stockman wants to achieve and that is very important to us.

I don't usually say nice things in Michigan about Republicans, but when it is due, I have to.

I want to thank all of you for the prepared testimony that you have given and also your comments today and the responses to Mr. Williams and myself and I look forward to you coming up with the magic Kalamazoo compromise, something that we can live with.

Thank you very much.

The next panel is Ms. Jamie Goldner, student at Eastern Michigan University; Mr. Neil Foley, student at the University of Michigan; Karen Glaser, director of Upward Bound at Siena Heights; and Courtney McAnuff, director of Financial Aid at Eastern Michigan.

Your prepared statements have been submitted to the committee and will be inserted in the record just prior to the comments of each of you. Because it doesn't happen often enough, I would like to recognize the student representatives first.

STATEMENTS OF JAMIE GOLDNER, STUDENT, EASTERN MICHIGAN UNIVERSITY; NEIL F. FOLEY, STUDENT, UNIVERSITY OF MICHIGAN; KAREN GLASER, DIRECTOR, UPWARD BOUND PROGRAM, SIENA HEIGHTS COLLEGE; AND COURTNEY O. McANUFF, DIRECTOR, FINANCIAL AID, EASTERN MICHIGAN UNIVERSITY

Ms. GOLDNER. Thank you very much.

My name is Jamie Goldner and I am the student body president at Eastern Michigan University. As an educated student, I understand the necessity of reducing the Federal deficit that is growing at a constant rate, but not at the expense of the young adults graduating from high school.

While attending Eastern during the past 3 years, I have received a Pell grant, a national direct student loan for 2 years, a State of Michigan competitive scholarship, college work study and Social Security benefits and various scholarships from Eastern, the institution itself.

It has cost nearly $18,000 for me to attend college during the past 3 years. Had I not received the aid mentioned above, I would never have had the opportunity to receive a college degree.

This morning, you have heard the problems on the university levels and on the large scale regarding the large amounts of funding that are required and that are necessary. I would like to give kind of a personal account because I specifically have received large amounts of financial aid.

While in high school, I was an active participant in many extracurricular activities, from being editor of the yearbook to an officer in the student council, while also achieving a high grade point average. I was involved in these activities, always knowing my eligibility to receive financial aid and to go to a reputable institution depended upon the things that I was doing then.

During my senior year of high school, I not only applied to three colleges and universities within Michigan, but also applied for financial aid. I had to select the three schools that I was most likely to attend because my parents couldn't afford to pay the application fees.

I knew while I was in high school that my parents would never be able to finance my college education, so I took every step necessary to receive funding for my postsecondary education. I wanted to go to college; it was just that simple. I had to do whatever I had to to get there.

I entered a community college in January of my senior year of high school while finishing up my senior year. My mother was a widow, so I was receiving Social Security benefits as a surviving child.

President Reagan's Social Security cuts came down in 1981, I believe it was, and I was caught in a very difficult situation. I had planned to attend college and the money I would have received during the 4 years would have covered my expenses. I would have been able to go to college, based on those Social Security benefits. So it would have been like my father provided my educational benefits.

I still needed to find funding. I went to a community college while I was also attending high school to ensure that I could still receive those benefits while in college. I just received my last check on Friday so I was able to still receive some funding through that.

I know no individuals who are attending college with financial assistance who don't want to be there. I wanted to go to college; I worked very hard to be able to attend college; and I hope others will be able to do it.

It is terribly unfortunate to think that just because my parents don't have an income enabling them to pay for my college education, that I would not be able to attend college. I am more than willing to borrow whatever funds are necessary, but it is frightening to think that when I graduate next April, I could possibly owe $24,000. I am willing to do this. My education is that important to me.

I am certain that my education will make me worth so much more than the amount of money can specifically show. We have a unique country in that we do have a choice whether or not to attend college; whether to take ourselves further than just the high school diploma, and the choice of where. Many influences affect the choice we make on where to go to college.

It is very sad to think that dollars should be such an overriding factor. We have the right to decide where our education needs are best met. Not every institution will make us the best individual possible. There are different programs for different people, for what their interests are or what their abilities are and I think we need to emphasize those talents.

As I previously stated, I do understand the need for budget cuts on all sides, but it is unfair that a select segment of the population should suffer so significantly. A freeze on all funding levels is much more satisfactory than large cuts in certain areas. It is unnecessary for the youth of our country to be so seriously penalized.

Very often, loans are the only means for financing a college education. These programs cannot be cut out. If regulations were more closely monitored and misused funds rechanneled, more funding would be automatically available.

Dr. Porter, the president here at Eastern, earlier outlined the demographics of Eastern's student population and what he explained is accurate. The need for aid for the institution, as well as across the country, is vital. We must have these funds to survive.

I am looking at this from a student's perspective. I have attended classes on a year-round basis so that I could hopefully graduate in a reasonable amount of time and not have to worry about I am going to pay that next housing payment that is coming up in a couple of weeks. There is a great amount of stress in a student's life. We work; we go to classes. It is very difficult to have to worry about where each dollar is coming from while studying for that midterm or writing the 20-page business policy paper that is due in a week.

It saddens me to think that so many minds could be wasted due to a lack of money. We are told throughout our lives how money isn't everything; and yet it is for those of us not having enough to educate ourselves and yet striving for more.

I would like to thank Congressman Ford and the members of the subcommittee on behalf of the students here at Eastern. Your continued support for postsecondary education is more than we could ever ask for. It is greatly appreciated and thank you very much.

[Prepared statement of Jamie Goldner follows:]

PREPARED STATEMENT OF JAMIE GOLDNER, STUDENT, EASTERN MICHIGAN UNIVERSITY

As an educated student I understand the necessity for reducing a federal deficit that is growing at a constant rate, but not at the expense of the young adults graduating from high school.

During the three years I have attended Eastern Michigan University I have received a Pell Grant (3 years), a National Direct Student Loan (2 years), the State of Michigan Competitive Scholarship (3 years), college work-study (1 year), Social Security Benefits, and various Eastern Michigan University scholarships.

It has cost nearly $18,000 for me to attend college during the past three years. Had I not received the aid mentioned above I would never have had the opportunity to receive a college degree.

While in high school, I was an active participant in many extracurricular activities, from being the editor of the yearbook to an officer in the student council, while also achieving a high grade point average. I was involved in these activities, always knowing my eligibility to receive financial aid would be based on this.

During my senior year of high school I not only applied to three colleges and universities within Michigan but also applied for financial aid. I had to select the three schools that I was most likely to attend and apply to them because my parents could not afford the application fees. I knew while in high school that my parents would never be able to help finance my college education so I took every step necessary to receive funding for my post-secondary education.

I entered a community college January of 1982, while finishing my senior year of high school. My mother was a widow so I was receiving Social Security benefits as a surviving child. President Reagan's social security cuts came down and I was caught in a very difficult situation. I planned to attend college and the money I received in benefits would have nearly covered my expenses each year. I still needed whatever funding I could find, including the benefits, so I enrolled in college early and borrowed the money for that semester's tuition from a relative.

I know no individuals who are attending college with financial aid who don't want to be there. I wanted to get a college education, I worked very hard just to be able to attend college, and I hope others will also be able to do this.

It is terribly unfortunate to think that just because my parents do not have an income enabling them to pay for my college education, that I would not be able to attend college. I am more than willing to borrow whatever funds are necessary for me to attend college. It is frightening to think that I may graduate next April and owe $24,000. I am willing to do this, my education is that important to me. I am certain that my education will make me worth much more than this amount can ever show.

We have a unique country in that we do have a choice—whether or not to attend college at all—and then the choice of where. Many influences affect the choice we make in where to go to college, it is very sad that dollars should be such an overriding factor. We have the right to decide where our education needs will be best met. Not every institution will make us the very best individual possible.

As I previously stated, I do understand the need for budget cuts on all sides, but it is unfair that a select segment of the population should suffer so significantly. A freeze in spending levels is much more satisfactory than large cuts in certain areas. It is unnecessary for the youth of our country to be so seriously penalized.

Very often loans are the only means for financing a college education, these programs cannot be cut out. If regulations were more closely monitored and misused funds rechanneled, more funding would be made automatically available.

I am looking at this from a student's perspective. I have attended classes on a year round basis so that I could hopefully graduate in a reasonable amount of time and not have to worry about how I was going to pay the next semesters housing payment. There is a great amount of stress in a students life; it is very difficult to have to worry about where each dollar is coming from while studying for that midterm or writing the 20-page business policy paper. It saddens me to think that so many minds could be wasted due to a lack of money. We are told throughout our lives how "money isn't everything" and yet it is to those of us not having enough to educate ourselves and get striving for more.

Mr. FORD. Let me ask you, did your mother and father attend college?

Ms. **Goldner**. My father did, yes; my mother did not. He was a teacher.

Mr. **Ford**. When you talk about the Social Security, going into a community college, you could get into through the grandfather clause, if you will.

Ms. **Goldner**. Yes; exactly.

Mr. **Ford**. For the record, what that means is that if she were in college at the time that the change in the Social Security Act took place, she could continue until 22 years old, but nobody else can come in after that time. It has been a very substantial cut that nobody has really focused on reducing the availability of funds for people like yourself to pay for the groceries while they go to school.

On a historical note, it was Lyndon Johnson of Texas, when he was a Senator, who originally put that provision in the Social Security Act. I am sure that there was some rumbling and he rolled over when Congress went back on that after these many years, to decide that they no longer wanted to provide that kind of support. Personally, it is probably one of the poorest ways that we might have reduced the cost to the trust fund at a time when everybody was very concerned about the trust fund and as it turns out now, probably wasn't necessary because the trust fund would carry it very nicely due to the fact that we have increased the taxes on everybody who is still working.

Next time you run into somebody who is complaining about how much we have increased their Social Security tax, you might remind them of what the cost of holding it down where we did is when translated to people like yourself.

I want to thank you on behalf of the committee.

Ms. **Glaser**. Wait, I have another student. Sorry, Karen. You don't mind. TRIO people don't mind.

Mr. **Foley**. Thank you, Mr. Chairman, for inviting me here today to testify on behalf of graduate students. I am a first-year graduate student at the University of Michigan. I want to state, first of all, that my education at Michigan is being funded by the Mellon Foundation's CIC Minority Merit Fellowship Program, which is a private grant in humanities. However, I wouldn't be here today if it weren't for the Federal aid programs that enabled me to get a bachelor and master's degree years ago.

Total cost of my bachelor's and master's degrees, which were earned during the years 1967 and 1974, was $15,000. It sounds pretty good in comparison to what Jamie has had to go through recently. This may seem like a paltry sum by today's standards, but it should be remembered that in 1965, the median income was less than $7,000 a year, as opposed to, say, $19,000 in 1981.

In addition, I was one of eight children seeking a college education, and no middle-income family could afford, then or now, in my opinion, the cost of a college education without some kind of assistance.

I received three guaranteed student loans for the then maximum amount of $1,000 a year and one national direct student loan for $1,000. My parents contributed $1,000 each year and I made up the balance with summer employment, as well as working 20 hours a week for 4 years as an undergraduate at the library.

After I finished my bachelor's degree, I was $4,000 in debt. In 1971, I still decided to pursue my master's degree. I borrowed more money, $1,500 guaranteed student loan, the maximum at the time, and my parents borrowed another $1,500 which was the cost of two semesters of tuition at Georgetown University for me to finish my degree.

At that point, 11 years ago, I felt that $5,500 was too great a debt—too great a debt burden for me to continue my doctoral studies. To make a long story short, I left, went to work and spent the next 7 years paying back my educational loans.

I decided to return to pursue my Ph.D., but in the intervening years, the cost of graduate education had skyrocketed to amounts that, even with Federal assistance, would have been a debt burden I don't know I was willing to assume. One year of graduate studies for an out-of-State student at the University of Michigan, according to literature I received when I made application, would cost between $12,000 and $14,000 a year. The most I could borrow would have been $5,000 under the GSL Program. It was clear to me that I would only be going to the University of Michigan if I had extensive aid.

In addition, I discovered that fellowships for the University of Michigan graduate students had been decreasing in the last 10 years, according to an internal study at the Rackham Graduate School, from almost $10 million in 1973 to $4 million in 1983, as a result in the Consumer Price Index rise in the tuition rates.

Thus, even though I was offered admission to the University of Michigan, I knew I would only attend if I had a comprehensive aid package. I received one; others, however, have not been as fortunate and they are struggling to survive on small stipends or they are forced to borrow more and more money to finish their degrees, and some, needless to add, are forced to terminate their studies. This is not official, but I think the figure I remember is something like only 51 percent of the Ph.D. students at the University of Michigan actually complete the Ph.D. It is certainly not for want of academic preparation.

I had the opportunity of helping develop a survey for the graduate student body called GRADFACS, to ascertain the needs of fellow graduate students at Michigan and to see how the student government, of which I am a member, might respond to those needs. The responses are still being tabulated, but the results so far paint a depressing picture of students barely able to survive on funding, unable to borrow anymore because of imposed limits, working minimum-wage jobs when they should be studying, trying to support families, and generally living marginal existences under the most precarious and debilitating financial conditions.

These graduate students are often older, sometimes married, and with children and cannot rely on their parents for aid. Many return, as I have, after years away from school, and are not financially able to meet today's high cost of education without some kind of assistance.

I would like to add here an issue that your colleague, Mr. Williams, addressed and unfortunately had to leave. That is, the remark made by the Secretary of Education, Mr. Bennett, to the effect that the Government has no obligation to underwrite choice.

Now, that strikes me as a little odd because in 1967, some years back, I don't recall ever having had choice. In fact, coming from a family of eight children, had it not been for the Higher Education Act 2 years earlier, I wouldn't have even gone to college. The colleges that I was allowed to select were State-supported institutions in my home State of Virginia. I had access, not choice, and I am happy to have had that access, but I see that the Higher Education Act permitted me, as well as my brothers and sisters, to get our degrees.

So I think the issue is access and that is what the Federal aid programs allowed me. Today I think for many students there is still no choice and access itself is being jeopardized.

Mr. Chairman, in conclusion, I would just like to say that I think higher education should not be the prerogative of the privileged few. That is precisely what will happen if Federal aid to education is reduced. If anything, given the spiraling cost of higher education today, and from what I have learned from just talking with my fellow graduate students at Michigan, what students need, particularly graduate students, is more grant aid. I sincerely hope that the higher education reauthorization will respond to that need.

Thank you very much, Mr. Chairman, for inviting me here to testify today.

[Prepared statement of Neil Foley follows:]

Prepared Statement of Neil F. Foley, Graduate Student, the University of Michigan

Chairman and members of the subcommittee, I am pleased to be here today to address the issue of student financial assistance and particularly the need to increase federal assistance to those engaged in graduate studies.

I am a first year graduate student in the Rackham Graduate School of The University of Michigan and hope to earn a doctorate in the Program in American Culture. Although my education is being privately funded by the Mellon Foundation's CIC Minority Merit Fellowship Program, I would not have been able to complete my Bachelor and Master's degrees were it not for the availability of major Federal aid programs. Moreover, without some kind of financial assistance, public or private, I would not be enrolled in graduate school today. The costs of higher education are simply beyond the financial capabilities of all but the privileged few.

Mr. Chairman, even though the proposed cuts in federally sponsored aid to education will not affect me, I strongly believe that my own access to higher education would not have been possible without these federal programs to aid students. To cut back funding now, when educational costs have increased dramatically in recent years, is to deny that access to medium income families, to say nothing of what such a measure would do to block access to higher education for those of low income families. I owe my education to the hard work of my parents, my own hard work, and the financial assistance I received under the terms of the Higher Education Act. My own story is perhaps not so different from those of many whose dream it has always been to get the best education possible.

I am the third eldest in a family of eight children and the first to attend college. I also was enrolled in a private college preparatory high school. To pay for this cost and anticipating the costs of a college education, my mother went to work full time in 1963, the year I began high school. In 1966, when I began shopping around for a university, it became clear to me that my choices would be limited to state-supported schools in my home state of Virginia. While others might be able to afford to attend high cost out-of-state public schools, like The University of Michigan, or local and out-of-state private schools, my family's financial resources simply did not leave me those options. Indeed, were it not for the availability of Guaranteed Student Loans authorized under the Higher Education Act of 1965, I would not have been able to attend the state's principal university, the University of Virginia.

For the years 1967–71 the cost of attending the University of Virginia was about $3000/year, an awesome at the time for a family of eight children. For three years I borrowed the maximum then allowable under the Guaranteed Student Loan Program, $1000/year, and one year I received a National Direct Student Loan, which was also for $1000. My parents contributed $1000 each year, and I made up the balance by working summers as a telephone repairman for Western Electric, including working many Saturdays and Sundays to earn overtime pay. In addition, I workd twenty hours a week for four years at the University of Virginia Library, earning minimum wage, to help defray the cost of my education.

It is important to remember that twenty years ago these costs for higher education were staggering sums for the average income family, such as mine; and I had seven brothers and sisters who also hoped to receive a college education. Without federal aid to education none of us could have afforded to attend our own state universities.

In 1972 I decided to pursue a Masters degree at Georgetown University. Although more expensive than the University of Virginia, it was commuting distance from my family's home; the higher tuition would thus be offset by the money I would save by living at home. Even with my parents' support, however, I needed to take out a $1,500 loan under the Guaranteed Student Loan Program, at that time the cost of one semester's tuition at Georgetown. My parents took out an additional $1,500 loan to enable me to complete the one year program. I was twenty-three years old in 1973 and already $5,500 in debt; in those days that was a significant amount. I decided I could not continue to borrow and go deeper into debt in order to pursue a doctorate. Perhaps had there been more grant aid available to graduate students, in addition to low interest loans, I may have been able to continue my doctoral studies. As it was, however, I spent the next ten years teaching at the junior college level, including seven years of teaching United States soldiers stationed in Europe and Asia. During that time I paid back my loans and once again decided to return to the halls of higher education.

When I discovered how much the cost of education had gone up in the intervening years, I despaired of ever being able to study towards a doctorate, particularly at a prestigious university like The University of Michigan. the cost for one semester's tuition for an out-of-state student is $3,666, more than the cost of an entire year at the University of Virginia, including all living expenses, in 1967. According to the literature I received, The University of Michigan estimated that it would require a total of $12,000 to $14,000 per one year of graduate study. The maximum I would be able to borrow under the Guaranteed Student Loan Program is $5,000. To make matters worse, the rapid rise in tuition costs had drastically reduced the number of fellowships the Rackham Graduate School would be able to grant to those offered admission. According to a recent internal study, Rackham Fellowships have been deflated by the Consumer Price Index and tuition hikes from almost 10 million dollars in 1973 to a little more than 4 million dollars in 1983.

For the average graduate student here at The University of Michigan and other high cost schools this all spells economic hardships that make it increasingly more difficult to remain in school. In addition, graduate students are now faced with the prospect of having their tuition credits taxed as well as their stipends, unless Congress extends their exemption beyond this year. It's difficult enough to have to go deeply into debt to finance an education, but if the present administration has its way, even that won't be an option any more. Thousands of graduate students would be forced to terminate their studies before finishing their degrees.

As a member of the Rackham Graduate Student Government, I recently participated in developing a survey (GRADFACS) to ascertain the needs of fellow graduate students at Michigan and to see how student government might respond to those needs. The responses are still being tabulated, but the results so far paint a depressing picture of students barely able to survive on their funding, unable to borrow any more because of imposed limits, working minimum wage jobs when they should be studying, trying to support families, and generally living a marginal existence under the most precarious and debilitating financial conditions.

What do you suppose would happen to these students, Mr. Chairman, if major Federal student aid programs made available through the Higher Education Act were suddenly to be reduced or denied them? One of the roles of federal aid to postsecondary education is, after all, to provide equality of educational opportunity, and that can only be achieved if students from lower and middle income levels can continue to rely on the aid the Higher Education Act makes available to them.

I personally am offended by members of the present administration stating or implying that students in general are taking a "free ride" at government expense. The majority of students are simply not rich enough to afford the high cost of education. The students with cars and stereos who take trips to Bermuda or wherever are not by any stretch of the imagination the majority of students on financial aid. There are, unfortunately, those who have defaulted on their obligations to repay loans, but these are a minority. To single them out as evidence that federal aid to education ought to be reduced, particularly at a time when it is needed most, is simply to punish the majority for the abuses of the few. This administration ought to go after the defaulters and not those whose only access to higher education is through the provisions of the Higher Education Act.

Finally, Mr. Chairman, it should be noted that the character and composition of most graduate schools are different than those of undergraduate schools where many students can expect some form of financial support from their parents. Graduate students, on the other hand, are often older, sometimes married and with children, and cannot rely on their parents for aid. Many return, as I have, after years away from school, and are not financially able to meet today's high costs of education without some kind of assistance.

Many of these graduate students are suffering hardships even with the Federal Aid programs, but they are determined to pursue their educations in spite of them. To reduce the aid these students require to complete their programs is tantamount to denying them the education they are making sacrifices for. Access to higher education should not become the prerogative of the privileged few, and that is precisely what will happen if this administration succeeds in reducing Federal aid programs. If anything, Mr. chairman, graduate students need more grant aid to reduce the debt burden incurred by large loans. It is my hope—and the hope of many graduate students—that the Higher Education Reauthorization will respond to that need.

I would be pleased to answer any questions that you or other members of the Subcommittee may have.

Mr. FORD. Karen Glaser.

Ms. GLASER. Chairman Ford, thank you for the opportunity to talk today about educational opportunity programs. As you know, there are four in number, at least in the area of delivery to students. That is the Upward Bound Program and the Talent Search Program, both which serve the high school student, giving counseling, instruction and guidance to prepare them for success in higher education.

The third program is the Special Services Program that focuses only on those students already enrolled in higher education with an emphasis on giving them the kinds of academic skills they need to succeed and stay through graduation.

The fourth program, and the last program, is the Educational Opportunity Center, which works only with adults in the community to encourage them to reenter higher education or to enter in the first place. All the people who participate in these programs meet four criteria: They must be low-income, that is, 150 percent of poverty; or they must be the first of their generation to aspire to a college education; or they must be physically handicapped; and all of them must be in academic need, which I consider to be the fourth criteria that isn't always talked about.

The students who participate in these programs are the students who have academic need. They don't read well; they may not write well; they may come from a school system where—for example, in my county, we work with students in a school system where they have no chemistry offered in the school and have no trigonometry. They have no calculus; they have no computer programming; they have no college writing; they have no English literature classes. So students who go to that school and try to compete in higher education find it very difficult. In fact, we had a student who had set his sights on going to the General Motors Institute and he got a four point at his high school, but was denied entry at General Motors Institute because he hadn't taken the proper courses.

Through the Upward Bound Program, we were able to get him college courses his senior year so that he could go on to General

Motors Institute. That gives you an idea of the concept of the eligibility requirements for the students who participate in these programs.

I have submitted written testimony so I would rather not go into that testimony, but instead, highlight two parts of it. One, recommendations for improvement; and the second, the impact of these programs on the students who have been served.

First, recommendations for improvement. I speak in full support of the recommendations that have been submitted to you, Mr. Chairman, by the National Council of Educational Opportunity Association. Those recommendations you have in detail, but I would like to emphasize two of them today. One, that the programs be authorized at $400 million for 1988 and then increments of $50 million thereafter. With the knowledge that only 10 percent of the eligible students, or even less than that, are served by the current appropriation level, it makes sense that that authorization level should be increased. In my county, Lenawee County, a population of—out of a population of 80,000 people, only 7 percent of the adults in that county hold college degrees; only 11 percent of the Hispanic adults in that county have high school diplomas; and our unemployment rate, which is—our employment depends on farm labor and auto worker kinds of jobs and since the bottom has fallen out of both of those, we have an unemployment rate which has doubled in the last 5 years.

So it makes sense to us that we need more money to serve more students who fit that low income, first-generation concept.

Second, I would like to support the concept or the idea or the recommendation that supplemental educational opportunity grants—that eligibility for those grants be tied into the same eligibility for a student to participate in a TRIO Program. That is, low income and first-generation.

I know that at my own institution, because we need a lot of warm bodies, we oftentimes try to spread our financial aid very thin and supplemental educational opportunity grants at my institution are used to bring in more people, not to help those who might be the most needy.

Second, in looking at the impact that the programs have had on the students we have been serving, I think it is important and significant that we try to put a face on Federal policy and put some names to the numbers. For example, I wish that you had time to go to the Upper Peninsula of Michigan to a small town of 500 called Big Bay, MI, which was the site of the infamous crime that prompted "Anatomy of a Murder," and talk to a young lady named Tammy Meyers who lived with her mother and father and three children in a little tiny trailer up in the northern woods 30 miles outside of town.

Her father is disabled; her mother is employed at a little souvenir shop where she worked only during the tourist summer season. Tammy used to wear a sweatshirt to her tutoring sessions because all through her years of high school, she never had a winter coat. She participated in the Northern Michigan University Upward Bound Program; she was recruited for that program with failing grades, with a very, very poor attendance record in high school. Now she is completing her sophomore year at Michigan State University in the Pre-Med Program, maintaining a 3.0-grade point average.

Or, if you had time, we could go to the western end of the State, along the sand dunes, along Lake Michigan, and talk with Eduardo and Rebecca Perez, who are Cuban refugees who, when they came to the United States, could not speak English; who could not get a job, and both of them immediately, or soon thereafter, went on welfare. They are the parents of two children. In 1981, they entered the Special Services Program at Grand Rapids Junior College. Now Eduardo is a diesel mechanic with General Motors and Rebecca is a bilingual aid instructor at the local high school, while she continues her education at Grand Valley State Colleges.

Or, if you had time, we would go to the State capital at Lansing and spend 1 hour with Karl Dahlke, who has been blind since birth and was recruited for the Michigan State University's Special Services Program for the handicapped. He has now earned his master's degree in computer science and works for Bell Laboratories. While at Michigan State University, he developed a talking terminal for classmates who were blind so that he could retrieve rapidly—have verbal access to printed data.

Or, if we still had some more time, we would go to the inner city of Detroit, talk with a gentleman named Philip Frederick, who was a Vietnam veteran and unemployed for over 3 years before he entered Wayne State University's Veterans Upward Bound Program. He received his juris doctorate at Wayne State University and now is practicing law in New York.

Go north to the wealthy suburb of Bloomfield Hills and visit Cranbrook Educational Community, where that school recruits the very elite for the ivy league schools in the East, and talk with the people who run the Horizons Upward Bound Program there that has been operating for 20 years and was first funded by a seed grant from the Ford Foundation. Hear about the Reverend Dr. James Evans, who came from the lower east side of Detroit in 1965 to participate in the Upward Bound Program, who went on to the University of Michigan, Yale, the Union Theological Seminary and received his doctor of philosophy degree in systematic theology. He is now the Martin Luther King professor of theology at Colgate-Rochester Divinity School.

And then finally, I invite you to come to Siena Heights College, to the southeast corner of Michigan, and hear us tell you about Jesus Solis, who was born in Mexico. He became a naturalized citizen and traveled the migrant stream with his mother, father, and 10 brothers and sisters. When he settled in Adrian and was enrolled in school, he could not speak English. He was confused and dismayed by his whole education and, in fact, had to ask me why it was that the teachers in his school called him Jesse, when his name was Jesus. I had to explain that English-speaking teachers had a great deal of difficulty calling someone in their class Jesus, and so they anglicized the word and called him Jesse.

In December, Jesus will graduate from Eastern Michigan University in bilingual education and he claims that if it were not for upward bound, he would still be working in the fields.

Mr. Chairman, I appreciate the time you have given me to share the impacts of these programs on the students that we serve. Thank you for your time and your attention.

[Prepared statement of Karen Glaser follows:]

PREPARED STATEMENT OF KAREN E. GLASER, PRESIDENT, MID-AMERICA ASSOCIATION OF EDUCATIONAL OPPORTUNITY PROGRAM PERSONNEL AND DIRECTOR OF EDUCATIONAL OPPORTUNITY PROGRAMS, SIENA HEIGHTS COLLEGE, ADRIAN, MI

Chairman Ford and Members of the Subcommittee on Postsecondary Education: Thank you for the opportunity to speak with you today regarding Special Services for Disadvantaged Students, authorized under Subpart 4, Title IV of the Higher Education Act of 1965.

BACKGROUND

The Special Programs for Students from Disadvantaged Backgrounds subpart authorized five programs: Special Services, Upward Bound, Talent Search, Educational Opportunity Centers, and TRIO Program Personnel Training. 505,000 students are served throughout the United States under a 1985 appropriation of $174.9 million dollars.

In Michigan, eighteen Upward Bound Programs provide instruction and counseling services in preparation for success in higher education and six Talent Search Programs offer financial aid information and assistance with college applications to 8,044 secondary school-age students. Special Services Programs provide basic skill instruction and academic counseling for 5,800 students already enrolled in nineteen colleges and universities in Michigan. One Educational Opportunity Center at Wayne State University reaches 1,500 adults in the greater Detroit area to advise them on educational opportunities. In all, twenty-six Michigan institutions are awarded 5,917,934 federal dollars to operate forty-five educational opportunity programs.

RECOMMENDATIONS FOR IMPROVEMENT

The Mid-America Association of Educational Opportunity Program Personnel fully supports the recommendations for program improvement which have been submitted to the Committee by the National Council of Educational Opportunity Associations: that in making grants and contracts under the TRIO subpart, the Secretary shall give the applicant's prior experience of service delivery under the particular program for which funds are sought a weighting of at least 13%.

That for the purpose of making grants and contracts under the TRIO subpart, there be authorized for appropriations: $400,000,000 for fiscal year 1988, $450,000,000 for fiscal year 1989, $500,000,000 for fiscal year 1990, $550,000,000 for fiscal year 1991, and such sums as necessary for fiscal year 1992.

That the requirement that institutions sponsoring Educational Opportunity Centers provide a 25% matching cost be eliminated since no other TRIO program has a matching requirement.

That training activity include as an allowable cost the publication and disemination of manuals to improve the operation of TRIO programs.

That admissions counselors, financial aid officers, high school counselors, and teachers be trained to better serve disadvantaged students through grants awarded under the TRIO Staff Development authority.

That the eligibility criteria for recipients of Supplemental Educational Opportunity Grants (S.E.O.G.) be identical to the TRIO program participant's eligibility criteria—that is, low-income and first generation college students.

That a veteran who serves on active duty after January 1, 1977, (post-Vietnam war era), shall be eligible to participate in any TRIO program.

IMPACT

It is commendable that the Committee has chosen to conduct hearings in the field to more closely examine the impact of educational opportunity programs. However, in order to most accurately take that measurement, one needs to study the programs in human terms. I wish, for example, that you could travel to the Upper Peninsula of Michigan to Big Bay, a town of 500 on the edge of Lake Superior (the site of the infamous crime which prompted "Anatomy of a Murder.") I wish you could talk with Tammy Meyers who lived in an old tiny trailer with her parents and three other children. Isolated in the northern woods, Tammy was recruited for the

Upward Bound program at Northern Michigan University. In the harshly cold winters, Tammy wore a sweatshirt because she had no winter coat. With her father disabled, she and her mother worked in a gift shop during the summer tourist season. She entered the program with a poor school attendance record and failing grades. Now she is completing her sophomore year at Michigan State University in premed, maintaining a 3.0 grade point average.

Drop south to the western part of the state and talk to Eduardo and Rebecca Perez, Cuban refugees who couldn't speak English when they enrolled in the Special Services Program at Grand Rapids Junior College. The parents of two children, Mr. and Mrs. Perez, at 28 and 25 years of age, had resorted to welfare in 1981. In 1984, through developmental classes, tutoring, and counseling, they acquired their citizenship papers and graduated with associate degrees. Mr. Perez majored in automotive engineering, maintained a 3.0 average, and is a diesel mechanic with General Motors. Mrs. Perez earned her associate degree in business with an emphasis on data processing and is pursuing further education at Grand Valley State Colleges while she works as a bilingual aide in the public school system.

Travel to Lansing, our state capitol, and spend an hour with Karl Dahlke. Blind since birth, Karl participated in the Michigan State Special Services program from 1979-1982, graduating with a masters degree in computer science. While in school, he devised a "talking computer" terminal with a disc drive to interface with the Apple computer providing rapid verbal access to printed data. He is now working as a computer programmer with Bell Laboratories.

Cross over to inner city Detroit and talk with Philip Frederick, a Vietnam era veteran, who was unemployed in 1973 when he sought help through the Veterans Upward Bound program at Wayne State University. He went on to earn his Juris Doctorate at Wayne State and is practicing law in New York.

Visit the wealthy northern suburb of Bloomfield Hills where the highly selective Cranbrook Educational Community is located. Cranbrook has hosted Horizons Upward Bound for twenty years, first funded with a seed grant from the Ford Foundation. Learn about the Reverend Dr. James Evans who came from the lower east side of Detroit and enrolled in the program in 1965. At the end of two years, he won a scholarship for Cranbrook's regular session, went on to the University of Michigan, to Yale, to Union Theological Seminary, earning his Doctor of Philosophy degree in systematic theology. He is the Martin Luther King Professor of Theology at Colgate-Rochester Divinity School.

Finally, come to the southwest corner of Michigan to Siena Heights College in Adrian, located in a county where only 7% of the adult population hold college degrees and where only 11% of Hispanic adults have graduated from high school. Hear about Jesus Solis, a naturalized citizen, who was born in Mexico and traveled the migrant stream with his parents and ten brothers and sisters. When his family settled in Adrian, he was enrolled in school. As a Spanish-dominant student, his education was confusing and dismaying. I remember when he asked me why, when his name was "Jesus", his teachers insisted on calling him "Jesse." (Jesus in Mexico is a prideful name but very difficult for anglo teachers to say "the English way;" thus, they "anglicize" it.) In December, Jesus will be graduating from Eastern Michigan University with a degree in Bilingual Education. He claims that "without Upward Bound he would still be working in the fields."

CONCLUSION

Mr. Chairman and Members of the Subcommittee, it has been my intent this morning to bring the concept of equal educational opportunities alive by putting faces on the federal policy and names on the numbers to more vividly demonstrate how educational opportunity programs have dramatically changed the lives of the students we serve.

Thank you for your time and attention.

With acknowledgement to: Nancy Olsen, Upward Bound, Northern Michigan University; Richard Bezile and Sylvia Salinas, Special Services, Grand Rapids Jr. College; Florence Harris, Student Support Services, Michigan State University; Paul Rease, Veterans Upward Bound, Wayne State University; and Ben Snyder, Special Services, Cranbrook Educational Community.

Mr. HUGHES. Thank you very much.

Courtney.

Mr. MCANUFF. Mr. Chairman, on behalf of other financial aid officers around the country, I am originally from New York and the work you have done in higher education is certainly well known and well received throughout the country. I just want to personally thank you before I begin my testimony.

I am the director of financial aid at Eastern Michigan University. This year, over 11,000 Eastern Michigan students have received an excess of $21 million in financial aid and almost $15 million of that aid is the result of Federal title IV funds.

If we were to take a look at the administration's initial budget proposal for next year and how it would impact, assuming that is the philosophy that they plan to take through toward reauthorization, EMU would lose almost one-third of its Federal financial aid, or over $5 million next year.

The effect clearly would be devastating for an institution like Eastern Michigan University, and perhaps even more devastating for a private institution. Those schools would be totally hurt by that shift in Federal resources.

If we were to take a look at some of the data. The Reagan administration claims the budget cuts only affect middle-income students. That is completely false. In fact, the ACE study shows that over 500,000 students would be affected from families with incomes below $25,000 a year.

Clearly, if this is the direction the administration plans to pursue in proposing authorization legislation, the results for access to American higher education will be devastating. I think in accessing the issues surrounding reauthorization of financial aid programs, it is significant that a renewed commitment be made to the concept of financial aid providing equal access to postsecondary education. A byproduct of this renewed commitment is the belief that Federal financial aid programs must also provide student aid recipients with access to funds that include gift aid, as well as self-help.

As we have heard many times today, students must not be expected nor encouraged to assume unreasonable loan indebtedness or to work to the detriment of their collegiate studies. Therefore, we advocate a strong reliance still on gift aid programs.

The program that you were very instrumental in, the Pell Grant Program, supplementary grants and State student incentive grants must be maintained. A failure to provide a reasonable balance between the gift aid and self-help sources, in essence, becomes an impediment to equal access to education. We often call ourselves the nation of the 21st century, where we are looking at the competition we are going against with Japan and other industrialized countries. In order to be successful, we must have a well-educated populace.

Failure to provide the opportunity for this education will be felt and I think is being felt in the economy in issues of national security and technological advances and in every facet of our society.

As we have heard many times today, I think, in effect, there will be no national defense without educated people. An integral part of the process of providing access to educational opportunity is to renew the Federal commitment to training student financial aid officers and the high school guidance counselors and the students in our high schools.

A number of years ago, we had the student financial aid training project and gradually that money has been eroded and finally eliminated for all practical purposes. What I have noticed on our campus and throughout the areas where I have been is that students are generally not as well informed any more and the effect probably may be part of a master plan because it certainly is denying access because of ignorance about the programs. Students don't know to apply on a timely fashion; don't know the scope of the programs and, hence, miss qualifications for programs that they would normally be funded by.

Merit data has increased at many institutions in the past several years and Eastern Michigan is no exception. We believe very strongly in the concept of merit aid here to reward academic excellence or some special skill a student may have, for example, athletics. But I think we strongly believe that merit aid should be the role in the private sector; should be the role for the institution to play in terms of its recruitment and retention policies and we firmly believe that the Federal Government's role should be primarily in need-based student financial assistance to assure that there are sufficient funds there to provide the access.

The Federal Government's role in student financial aid must be one of providing access. Currently, title IV programs are not keeping pace with the spiraling cost of inflation. In fact, since I have been here in 1980 at Eastern Michigan University, we have gotten, percentagewise, no increase in the campus-based programs of SEOG, NDSL, and college work study. In that same corresponding period of time, we have incurred almost 40 percent increase in cost. So the net effect of that, when governing real dollars, is that the students at Eastern Michigan University and the students throughout the country have experienced a significant loss in financial aid resources, even though the administration often says we have held the line as far as the availability of funds.

As we review reauthorization of Federal title IV aid programs in 1985, we must carefully evaluate the students to be served in the educational institutions in the next 5 years. All the demographics we have heard about today have stated that students are graying. We know that by 1990, we will lose a significant number of 18-year-old students coming to the campus. Therefore, institutions must be geared up to serve our older, nontraditional population if they are to survive.

Financial aid programs are founded on the premise that the parents have a responsibility to pay for their children's education. Now the mother and father themselves find themselves to be college students. These students often find that they are ineligible to participate in any program except the auxiliary loan program. The auxiliary loan, at a current interest rate of 12 percent with repayment beginning in 60 days after disbursement, is not a financial opportunity.

A family with an income of $32,000, three school-age children, a mortgage, car payments, one of the parents in school in evenings trying to earn an undergraduate degree to gain some upward mobility cannot afford to go to school on an auxiliary loan. They cannot afford the additional payments.

If this independent student were a dependent student with the same family situation, the dependent student would be eligible for a guaranteed student loan of $2,500 here at Eastern Michigan University. The parent independent student with the same financial situation is not eligible.

Guaranteed student loan guidelines must be corrected to take care of this glaring inequity. The income ceilings for groups of independent students should be increased to recognize the need for financial help to defray the cost of education. GSL should only be available for direct educational costs.

I, too, am concerned with the vast amount of indebtedness some students are getting themselves into. We need to work in a provision whereby students are limited to one student loan program or the Student Loan Marketing Association be advertised well enough and be opened up more to allow students access to lumping those repayments for multiple loan sources together when they finish. Even at a relatively low-cost institution such as Eastern Michigan University as Jamie told you, it is not unusual for someone to leave here almost $15,000 in debt. Sometimes that is an unconscionable amount of money for anyone to repay.

One of the most aspects of financial aid, and something that I am very, very concerned with as an aid officer is the delivery system. The educational institutions are at the mercy of the Department of Education in making financial aid awards to recipients. Getting the money from the approved programs to the people for whom it is intended can be likened to moving a mountain.

Every year, we operate on the basis of a guessing game and I know, Mr. Chairman, you are very familiar with this. Payment schedules for Pell grants and family contribution charts for guaranteed student loans never arrive on a timely manner. I think once in 9 years for me. Authorizations for campus-based aid programs may not arrive until May. To date, we still do not have a Pell grant payment schedule for the 1985-86 school year. Thus, institutions are operating on a guessing game that will cause an excessive amount of inconvenience to students and will cause an enormous workload in all institutions because they will have to redo their financial aid packages when the final Pell payment schedule is delivered.

GSL family contribution schedules for 1985-86 just arrived just last week. By law, these contribution schedules were due April 1. In the interim, we were forced to delay hundreds of student loan applications because of the late arrival of the contribution schedule.

The Department of Education holds educational institutions hostage to their inability to make decisions in a timely manner. Clearly, the delivery system must undergo changes. In fact, I remember reauthorization in 1980.

We recommend that the Pell grant payment schedules and the GSL family contribution schedules arrive at the institutions no later than February 1 each year and that Congress put strong enough language into the legislation to mandate if there is inactivity on the part of the Department of Education that these schedules go into effect no matter what.

The timetables will permit expedient notification to aid recipients of their aid awards and prevent the revisions be unnecessarily costly for institutions and confusing for the student aid recipient. If one were a skeptic, it would seem as if the delays were deliberate on the part of the Department of Education to discourage students from applying for aid.

Putting applications in 23-page booklets, making multiple processes available, putting out forms that can't be filed until after a specific date or before a specific date, just seem to be oftentimes, especially for the poorer student, tend to discourage the student from the whole application process.

I would hope, however, this is not the case since clearly one would hope that the goal of the Department of Education should be to support education for all the populace.

We applaud the Federal Government's desire to see that Federal funds are spent judiciously, but we question the approaches recommended to achieve that goal. It is not appropriate to set an $8,000 student aid cap as Secretary Bennett has said that this will serve all students adequately. This is not true. Quite the contrary, the cap will serve to segregate institutions with low-cost institutions being affordable to the poorest students and highest-cost institutions, again, being affordable to high-income groups.

This is in sharp contrast to title IV aid's original purpose and that is one of access. Indeed, access would be denied by this absurd measure.

There are, however, some cost-savings measures which can be instituted and Dr. Breneman stated these. Among these measures again, we reiterate 100 percent validation of income information, 1040's from all student aid filers, or some similar document. Validation of all filers assures that funds are going to students who are truly needy. At Eastern Michigan University, we are easily able to validate information on 1040's through the use of an automated student aid system. Many institutions are moving to fully automated student aid systems and, therefore, in the future, 100 percent validation should not be an unreasonable task.

I understand that it would pose a problem for institutions, but it certainly is within the parameter of the Federal Government to provide support for that process if they would like to see that the funds are judiciously spent.

Another cost-saving measure is to reinstate the cap on the number of years a student may receive Pell grants or some aid programs on the full-time study or equated amount for half or three-quarter time study.

Third, is to tighten the guidelines for independent students. I heard Dr. Adamany say he was against it, but several quality control studies have revealed a number of independent students growing significantly over the past 5 years and further, I know that you probably have some difficulty with many of your colleagues who state that this is, indeed, an abuse of the program. I think the institutions should respond by—and many institutions, I am sure, will support verification for independent students, whether it be an age cut-off or students being dependent. Once they are dependent from leaving high school, we do need some correction. I think personally that there is abuse of the fact that students being independent. It is the parents' primary responsibility to pay what they are able and after that, then certainly it is the role of the institution, the State and the Federal Government to provide the necessary funds to assure all students the opportunity for an education.

Oftentimes, when I do a financial aid presentation, the question that I get asked of me is what can I do to get my son or daughter to be an independent student? That is something that we need to avoid if mom and dad are certainly able to pay it.

Last, we recommended the Department of Education to demonstrate support for educational institutions when students are turned over to the Department for fraudulent reporting of information. It has been our experience that there is virtually no support from the Department for enforcing the penalty for misinformation when the evidence indicates that this misinformation was very willful. We can't improve cost-effectiveness of the aid programs without endangering the concept of access.

There is a vital role for both the aid officer and the Department of Education to play in a cooperative venture of student aid delivery.

We also recommend again that the Pell grant central process be eliminated. It is unnecessary to have two major needs analysis systems and then a second entity again for Pell grants with a separate student aid report, separate delivery system, a separate process for the student, a separate method for correction; a separate area of confusion that eventually discourages again many students from recieving that aid. In fact, each year, we literally have close to 100 students who are cut up so much in the Pell grant correction process oftentimes that they miss their eligibility for that program.

Finally, I would ask the committee to keep in mind the worth of the tremendous educational system the United States has developed. Equal access to higher education opportunity is the cornerstone of the philosophy that makes America unique in the world. This uniqueness has made us great, as many other speakers have said. This system cannot be found anywhere else in the world. We must not allow it to be eroded or destroyed.

Thank you very much, Mr. Chairman.

[Prepared statement of Courtney McAnuff follows:]

PREPARED STATEMENT OF COURTNEY MCANUFF, DIRECTOR OF FINANCIAL AID, EASTERN MICHIGAN UNIVERSITY

Chairman Ford and Members of the U.S. House Sub-Committee on Higher Education: Thank you for inviting me to appear today to testify on the issue of reauthorization of Federal Student Financial Aid Programs.

My name is Courtney McAnuff and I am the Director of Financial Aid at Eastern Michigan University.

This year over 11,000 EMU students received in excess of $21 million in financial assistance. Almost $15 million of that aid was a result of Federal Title IV funding.

If the initial administration's budget proposal for 1985-86 were enacted, EMU students would lose in excess of $5 million in federal student aid and approximately 3,000 students would become ineligible. Contrary to popular belief these cuts would be devastating to all income groups. The American Association of State Colleges and Universities estimates that nearly a quarter million students from families with incomes of less than $6,000 would each lose an average of $1,160 in federal student aid under the administration's budget proposal. An additional 96,000 students from families with incomes between $6,000 and $12,000 would also have their aid reduced.

These figures demonstrate quite clearly that the Reagan administration's claim that the cuts would affect only middle income students with families with income of more than $25,000 is false. In fact, 500,000 students would be affected from families with incomes below $25,000 a year. Clearly, if this is the direction that the administration plans to pursue in proposing authorization legislation, the results for access to American higher education will be devastating.

In assessing the issues surrounding reauthorization of financial aid programs, it is significant that a renewed commitment be made to the concept of financial aid providing equal access to post-secondary education. A by-product of this renewed commitment is the belief that federal financial aid programs must also provide student aid recipients with access to funds that include gift aid as well as self-help aid. Students must not be expected nor encouraged to assume unreasonable loan indebtedness or to work to the detriment of their collegiate studies. Therefore, we advocate the reliance on gift aid programs, notably Pell Grants, Supplemental Grants, and State Student Incentive Grants, must be maintained. Failure to provide a reasonable balance between gift aid and self-help aid sources, in essence, becomes an impediment to equal access to education. If we, as a nation, are to respond to the many complex issues of the 21st century, we must have a well-educated populace. Failure to provide the opportunity for this education will be felt in the economy, in issues of national security, in technological advances, and in every facet of our society. There will be no national defense without educated people.

An integral part of the process of providing access to educational opportunity is to educate the public about the financial aid programs which are available. There is an information gap which exists for many students, especially low-income students. Federal funds must again be allocated to training projects to disseminate financial aid information to high school counselors and ultimately to the financial aid recipients. Unfortunately, many students discover the aid programs exist after application deadlines have passed. These students are often the highest need students. They are eliminated from the programs not by their lack of eligibility but by the lack of information about how and when to apply for existing programs. We strongly urge the government to reinstate the funds necessary to educate all students about the availability of aid programs.

Merit aid has increased at many institutions in the past several years. Eastern Michigan is no exception. While we support the concept of merit aid, we do not believe that merit should be factor for receiving any aid from Title IV programs. Merit aid should remain the institution's financial responsibility. Merit is used by institutions as a vehicle to attract and retain talented students. As such, it is not appropriate that federal dollars be allocated for merit aid programs.

The federal government's role in student financial aid must be one of providing access to postsecondary education. Currently, Title IV aid programs are not keeping pace with the spiraling costs of higher education. Institutions are forced to make value judgements with respect to the distribution of Title IV aid programs: Should available funding go to students on a first-come first-serve basis? Should available funding go to the highest need students regardless of the application dates? Should some of the available funds be earmarked for high need applicants whose applications are made later in the aid cycle? Clearly these issues question the premise of Title IV aid programs—providing equal access to educational opportunity. Yet every year aid officers around the country make these decisions and award Title IV aid dollars on the basis of enrollment and other institutional needs. We firmly support the expansion of Title IV aid programs on the basis of financial need but not on the basis of merit.

As we review the reauthorization of federal Title IV aid programs in 1985, we must carefully evaluate the students to be served at educational institutions in the next five years. Demographic studies indicate that the number of traditional college students (18 year old just graduated from high school) is diminishing and that campuses are graying. This graying effect represents a segment of the population that has not been effectively served by the Title IV aid programs. By and large, Title IV aid programs were founded on the premise that parents have a responsibility to pay for their children's education. Now, Mother and Father themselves are the college students. These students find themselves ineligible to participate in any of the programs except the Auxiliary Loan Program. The Auxiliary Loan at 12% interest and repayment beginning in 60 days after disbursement is not a financial opportunity for a college education but rather an impediment to that education. A family with an income of $32,000 with 3 school-age children, a house mortgage, car payments, and one of the parents in school in the evenings trying to earn an undergraduate degree or to gain additional training for upward mobility or a career change, will find that they are ineligible for a Guaranteed Student Loan. If this independent student were a dependent student with the same family situation, the dependent student would be eligible for a Guaranteed Student Loan of $2,500 to attend Eastern Michigan University. The parent—independent student—with the same financial situation is not eligible, GSL guidelines must be modified to rectify this glaring inequity! The income ceilings for this group of independent students must be increased to recognize the need for some financial help to defray the costs of education. GSLs could be made available only for direct educational costs. Further, consideration must be given to decreasing the minimum number of credit hours needed to participate in the GSL program. There is a large and growing market of nontraditional students. We must recognize and fund their need for financial assistance to pursue their education as we have provided for the traditional student.

One of the most important aspects of financial aid programs is the delivery system. Educational institutions are often at the mercy of the Department of Education in making awards to financial aid recipients. Getting the money from the approved programs to the people for whom it is intended can be likened to moving a mountain. Every year we seem to operate on the basis of a "guessing game." Payment schedules for Pell Grants and family contribution charts for Guaranteed Student Loans do not arrive in a timely manner. Authorizations for campus-based aid programs may not arrive until May. To date, we do not have a payment schedule for Pell Grants for 1985-86. Eastern Michigan has been mailing 85-86 award notices to students since early April. GSL family contribution schedules for 85-86 arrived last week. By law, these contribution schedules were due April 1st. In the interim, we were forced to delay processing several hundred loan applications because of the late arrival of the contribution charts. The Department of Education holds educational institutions hostage to their inability to make decisions in a timely manner. Clearly, the delivery must undergo major changes. We recommend that Pell Grant payment schedules and GSL family contribution schedules be provided to institutions no later than February 1 of each processing year. These timetables will permit the expedient notification to aid recipients of their aid awards and prevent revisions that are unnecessarily costly for institutions and confusing for the student aid recipient. If one were a skeptic, it would seem that the delays were deliberate on the part of the Education Department to discourage students from applying for aid. I would hope, however, that this is not the case.

We applaud the federal government's desire to see that federal funds are spent judiciously but we question the specific approaches being recommended to achieve this goal. It is not appropriate to set a cap of $8,000 on student aid programs and assume, as Secretary of Education William Bennett has done, that this will serve all students adequately. Quite the contrary, this cap will serve to segregate institutions with lower cost institutions being affordable by needier students and higher cost institutions being affordable by higher income students. This is in sharp contrast to the original purpose of Title IV aid—access. Indeed, access would be denied by this absurd measure. There are, however, some cost-saving measures which can and should be instituted. Among these measures are 100% validation of income information by requiring 1040's from all student aid filers. Validation of all filers assures that funds are going to students who are truly needy. As President Porter stated, currently only two institutions in Michigan use 100% validation. At Eastern Michigan, we are able to easily validate information from the 1040 through the use of an automated student aid system. Many institutions are moving to fully automated student aid systems; therefore, 100% validation is not an unreasonable nor unwieldly task. Another cost-savings measure is to reinstitute a cap on the number of years a student may receive a Pell Grant. Thirdly is to tighten the guidelines for independent students. Several quality control studies have revealed that the number of independent students has grown significantly in the past five years. Further, when documentation of the independent status has been verified, many students had not accurately reported their status. Being independent is too often seen as the way to get aid. Along with the premise of access is the expectation that parents are willing to pay toward the cost of education for their dependent children. When parents and students begin to ask how soon the student can file as independent, there is a message—"you get aid when filing as an independent student." We recommend that students not be able to use financial aid as a means to become financially independent and that the student's filing status as a first-year student remain throughout the student's undergraduate education. Lastly, we recommend that the Department of Education demonstrate support for educational institutions when students are turned over to the Department for fraudulently reporting information. It has been our experience that there is virtually no support from the Department for enforcing the penalty for misinformation when the evidence indicates that the misinformation was willful. We can improve the cost effectiveness of aid programs without endangering the concept of access. There is a vital role for both the aid officer and the Department of Education to plan in the cooperative venture of student aid delivery.

We also recommend that the Pell Grant Processor be eliminated. It is unnecessary to have two major processors for need-based aid and a separate entity for Pell Grants. Further, with all institutions performing 100% validation on all aid recipients, it would be necessary to submit corrections on a Pell Grant to the central processor. Corrections to the central processor frequently result in lenghtly delays that cost the student and the institutions. In some cases, students may not receive Pell Grants because of unreasonable delays due to two or three mailings back and forth for corrections that could have been resolved in person in the institution's financial aid office. Elimination of the Pell Grant Central Processor will be a cost savings not only for the taxpayer but also for the students and institutions.

Finally, I would ask this Committee to keep in mind the worth of the tremendous educational system that the United States has developed. Equal access to higher education opportunity is the cornerstone of a philosophy that makes America unique in the world. This uniqueness has made us great—it must not be eroded or destroyed.

Mr. FORD. Thank you.

Let me ask from the perspective of the students and you, as a student aid officer, and Karen Glaser, working with the particular population that she has worked with so many years, how much practical help are students really getting at the high school level from counselors?

Mr. MCANUFF. In Michigan, they are receiving a lot more than in some other States because the State association has gone out and run its own workshops. Certainly, the workshops are not of the scope that they were when the student financial aid training project was in effect. The resources, the materials and everything else are certainly not of the same quality, although I think, interestingly enough—what I found was that the students in the poorer district get the worst training.

As I go out and do presentations in the wealthier districts, there are large crowds, better attendance. The guidance officers are much more informed. It seems the poorer the district, the less that turn out; the less informed the students are. Whether there be some prevailing knowledge that I am poor and I am going to get aid or the guidance personnel is not as good, I don't know, but I would say the service and the training is not going where it should be.

Mr. FORD. My experience over the years with the elementary and secondary legislation is that when there are budget restraints at our local school district, one of the things that goes before the school band and school athletics is the counseling program. Then I find other places in my congressional district where the number of children assigned to a particular counselor is so great that they wouldn't have time to talk to them for 5 minutes a piece within the course of a regular school semester.

From the questions we get from constituents who are just totally confused, it indicates to me that there is very little confidence in high school students that there is a place in their high school where they can sit down with somebody and find out what student aid is all about, even if they have their curiosity aroused and they want to know what to do.

We have been pushing the work off on you by telling people: Pick the school you would like to go to and then trot up there and see the student aid officer and they will sit down with you and tell you what you can qualify for and what you can expect to be able to do.

It frightens me that there are so many of them coming to our attention on an ad hoc basis. That has got to be an indication that there are a lot of others who are not motivated to ask someplace and are, frankly, frightened. I think that is where you get the correlation with the poorer school district.

Ms. Glaser.

Ms. **Glaser**. Some counselors in our district have 500 students they are responsible for. There is one counselor in one of the schools for the entire high school population. There is another one that deals with K through eighth grade population. So you are about that, they don't—a counselor doesn't see all the students, so they have to identify just certain ones that they work with. I think they use, one, the parents' interest in the student's future, and generally those are not first-generation college students. That is one way.

The second way is academic achievement so they zero in on only those students who are achieving academically already and don't have time to find the student who is low income; who has no motivation; who has the skills, but not the academic achievement and say, "Hey, I think you ought to go to school."

What we do is we go to the churches; we go to the Y; we go to recreational centers; we go to even the community action centers to ask those people to identify a potential college student who belongs in that criteria because the counselors don't even refer those students to us to work with.

Mr. **Ford**. Thank you very much for your well prepared testimony and for your appearance here today. I think I can understand how you got to be a student body president. Where do you live?

Ms. **Goldner**. My home town? Benton Harbor, but I live on campus here.

Mr. **Ford**. We could use a good congressional candidate out there.

[Laughter.]

Ms. **Goldner**. I won't say anything.

Mr. **Ford**. You might write him a letter and see if you can get him to vote for this.

Ms. **Goldner**. As a matter of fact, I did write him a letter.

Mr. **Ford**. Without objection, the 1982-83 Undergraduate Student Aid Survey prepared by the Michigan Department of Education and the report of the Governor's Commission on the Future of Higher Education in Michigan will be inserted at this point in the record.

[The information referred to follows:]

1982-83 UNDERGRADUATE

STUDENT AID SURVEY REPORT

MICHIGAN DEPARTMENT OF EDUCATION
STUDENT FINANCIAL ASSISTANCE SERVICES

September, 1984

SURVEY HIGHLIGHTS

Needy Students

Table 1A

1. In the eight years covered by this survey project, the number of needy undergraduates applying for aid has increased about 87 percent from 94,740 (1974-75) to 177,541 (1982-83).

   By comparison, the number of fulltime equated (FTE) undergraduates reported rose only about 13 percent over this same period of time.

   In 1974-75 needy students made up about 33 percent of the FTE undergraduate enrollment. In 1982-83 that percentage had increased to 55 percent. This percentage fluctuates substantially by type of school due to the cost difference involved.

   The disproportionate increase in the number of needy students is probably due to a number of factors such as (1) changes in the need calculation system, (2) increases in college costs, (3) changes in the enrollment mix and (4) changes in the economy.

Table IB 1 and 2

2. While their numbers have increased, minorities have dropped from about 30 percent of the needy undergraduate pool reported (1976-77) to roughly 25 percent of this group (1982-83).

   Both minority and white students appear, though, to be receiving aid consistent with their overall rate of application.

   The data permits no racial comparison regarding such additional points of potential interest as (1) comparative rates of application to enrollment; (2) comparative aid package offers; and (3) comparative percentages of need officially met.

Tables 1C 1 and 2

3. Women have consistently, over time, represented approximately 54 to 55 percent of the needy undergraduate aid applicant pool reported.

   Both male and female students appear to be receiving aid consistent with their overall rate of application.

   The data permits no by sex comparison regarding such additional points of potential interest as (1) comparative rates of application to enrollment, (2) comparative aid package offers, and (3) comparative percentages of need officially met.

Table ID

4. Both the number and percentage of needy undergraduate aid applicants who are reported as "independent" or "self-supporting" students have increased during the eight-year history of this survey.

   Their number has increased from 41,800 (1976-77) to 62,204 (1982-83) which now represents about 35 percent of the total needy undergraduate aid applicants being reported.

   As might be expected, the greatest concentration of needy independent aid applicants is found in the community college sector where they represent approximately 59 percent of the total reported.

Table IE

5. While their numbers have increased, the percentage of needy undergraduate aid applicants who are reported to be "out-of-state" (four-year schools) or "out-of-district" (two-year schools) residents has remained consistent over time at about 12 to 13 percent of the total.

   The percentage concentration of such students at public two-year community colleges has grown from 19-22 percent between 1976-77 and 1982-83, whereas their percentage concentration at public four-year colleges (6 to 7 percent) and independent colleges (19 to 15 percent) has declined over this same period.

Table IF

6. Parttime students have increased both in numbers (15,125 to 28,566) and in the percent of the total needy undergraduate aid applicant population (12 to 16 percent) which they represent over the six-year span of this survey during which such data have been collected.

   The largest concentration of such students is found in the public two-year community college sector.

Total Undergraduate Aid Dollars

Table IIA

7. The $494,635,598 in undergraduate student aid reported for 1982-83 represents an increase of about 210 percent over the $159,470,000 in undergraduate student assistance reported in 1974-75.

   Over the same eight-year time span, FTE enrollments increased roughly 13 percent and the number of needy undergraduate aid applicants rose 87 percent.

   Between 1980-81 and 1982-83, however, FTE enrollments rose about 1 percent, needy undergraduate aid applicants rose roughly 6 percent and the amount of student aid increased about 6 percent. These more recent statistics document the "leveling off" that is beginning to take place with regard to student financial aid.

Table IIB

8. For 1982-83 roughly 80 percent of the total undergraduate student aid available was distributed on the basis of demonstrated need.

   Making longitudinal comparisons here is difficult because of the shifting federal eligibility criteria under the Guaranteed and State Direct Student Loan Programs. Prior to 1978, this major program carried a need consideration. With the Middle Income Student Assistance Act of 1978, it became nonneed in orientation and then with the Budget Reconciliation Act of 1981, it again reverted to a need orientation. Thus, the major shifts in need and nonneed aid dollar concentration over time are probably more a function of federal policy than institutional prerogatives.

Need Based Undergraduate Student Aid Dollars

Table IIC

9. For 1982-83 roughly a third of the need based undergraduate student aid dollars available came from the federal government and another third from the private community (including commercial lender GSLs). Remaining resources came from the state (19 percent--including bond funded State Direct Student Loans) and the schools themselves (14 percent--including state general fund dollars schools chose to use for undergraduate aid purposes).

Generally speaking, public two-year community colleges appear to be substantially more reliant upon federal programs than do the other higher education sectors.

Making such a distribution of funds by source is always very difficult because there are valid differences of opinion as to where certain key programs should be placed. Federal summaries, for example, typically include all Guaranteed and State Direct Loans under their umbrella because they "guarantee" the loans involved. Here, however, (1) Guaranteed Loans are placed under the "private funds" heading as commercial lenders actually provide the funds involved and (2) State Direct Student Loans are found under the "state funds" heading as the state raises the capital involved. Also state general fund dollars utilized by schools for student aid purposes are included under the "institutional funds" heading as campus aid personnel responsible for completing these surveys felt strongly that such state dollars could not be realistically tracked and isolated once they reached the campus.

Longitudinal comparisons, again, are difficult due to the reintroduction of Guaranteed and State Direct Loans into the need based category for 1982-83 (see Table IIB discussion).

Table IID

10. For 1982-83, the largest portion of need based undergraduate student aid came in the form of loans ($185,257,528 = 47 percent total). Forth-one percent ($162,722,135) came in the form of scholarships and grants and 12 percent ($47,398,514) in the form of wages.

    Longitudinal comparisons are difficult here also due to the reintroduction of Guaranteed and State Direct Loans into the need based category for 1982-83 (see Table IIB discussion).

Table IIE 1-4

11. Given the analysis constraints noted earlier (see discussion regarding Tables IIB and IIC), it appears that the federal government is generally the largest supplier of need based grants, the private community is the largest supplier of need based loans, and schools themselves are the largest supplier of need based work opportunities.

Nonneed Based Undergraduate Student Aid Dollars

Table IIF

12. For 1982-83, the largest amount of nonneed based undergraduate student aid ($51,635,992 = 52 percent of total) came in the form of employment opportunities. Academic merit ($20,031,002) and other skill ($18,958,167) awards were next with 20 percent and 19 percent of the nonneed total respectively. Athletic awards ($8,479,390) accounted for only about 9 percent of this total. Without the inclusion of Guaranteed and State Direct Loans (as had been the case for 1980-81) student loans represented an insignificant portion of the total nonneed based student aid awarded for 1982-83.

There is concern in some circles regarding the continued increase of nonneed based academic ability and skill awards. However, it is important to note that student employment is still by far the largest category of nonneed aid.

It is also important to note that at least some 33 percent of all nonneed undergraduate student aid actually goes to help meet financial need that has been formally demonstrated in application for other programs of assistance.

Unmet Undergraduate Student Need Reported

Table IIIA

13. The total amount of unmet undergraduate financial need reported has increased from $31,270,000 in 1974-75 to $77,851,959 in 1982-83. This represents an increase of about 149 percent over this eight-year span.

Tables IA, IIA and IIIA

14. If enrollments, needy students, total aid and unmet need are compared over time, the following summary can be created:

Undergraduate Category	1974-75 to 1982-83 (Eight-Year Percent Change)	1980-81 to 1982-83 (Two-Year Percent Change)
Total FTE Enrollment	+13%	+1%
Total Needy Students	+87%	+8%
Total Aid Distributed	+210%	+6%
Total Unmet Need	+149%	+7%

Table IIIA

15. The average per needy student unmet need figure has increased from $330 in 1974-75 to $439 in 1982-83. This change represents an increase of about 33 percent.

    As might be expected, due to their higher costs, this average unmet need figure is most pronounced in the private college sector.

Table IIIB

16. Schools seem to be adopting a policy of meeting less than full need to help spread aid dollars among a greater number of needy applicants.

    This practice appears to be most prevalent among public two-year community colleges and private colleges.

Undergraduate Campus Student Aid Personnel and Administrative Costs

Table IVA

17. Reported campus undergraduate aid administrative costs appear to be running about 3-4 percent of the total aid dollars distributed.

    Reported administrative costs actually dropped about $2.5 million between 1980-81 and 1982-83, but have increased a total of roughly 227 percent between 1974-75 and 1982-83.

    It must be kept in mind that these campus cost figures are also inevitably incomplete as some functions are performed by the federal government, state agencies, private collection agencies, etc.

Table IVB

18. Total FTE campus aid personnel dealing with the delivery of undergraduate student aid services has increased from 631 in 1976-77 to 1,021 in 1982-83. This represents an overall staff increase of about 62 percent.

Individual Need Based Undergraduate Program Summary

Table IIIC

19. The number of students receiving scholarships and grants (136,924) still exceeds the number borrowing (89,356), but loan participation has increased more rapidly than any other student aid sector.

Table VA-E

20. Approximately 50 percent of the public two-year community college campus based (NDSL, SEOG and CWS) resources go to independent students. In the other school sectors, typically 30 percent or less of these funds goes to independent students.

Table VA-E

21. Public four-year schools receive the majority of all campus based aid (NDSL, SEOG, CWS) but split Pell awards and funds more evenly with the other sectors.

Table VA-E

22. Campus based awards (NDSL, SEOG, CWS) are focused upon the lowest dependent student family income groups in the public two-year community college sector.

    This factor is probably due at least in part to their lower costs and thus the lower resource picture needed to demonstrate need and qualify for aid.

Table VA-E

23. Private colleges make the smallest share of the combined campus-based (NDSL, SEOG, CWS) and Pell awards.

INTRODUCTION TO 1982-83 UNDERGRADUATE STUDENT FINANCIAL AID SURVEY

The following tables summarize data obtained from the 1982-83 Undergraduate Student Aid Survey that was conducted by the State of Michigan's Student Financial Aid Programs, in conjunction with the Michigan Student Financial Aid Association. Comparison data from earlier surveys are also provided where applicable.

The survey data reported each year reflect information on all active Michigan colleges and universities having undergraduate enrollments for the period in question with the following exceptions:

1. Original 1974-75 HR-11 Legislative Study--no missing schools.

2. 1976-77 Michigan Department of Education Study--missing West Shore Community College, Faithway Baptist College, General Motors Institute and Jordan College.

3. 1978-79 Michigan Department of Education Study--missing General Motors Institute, Merrill Palmer Institute and Walsh College.

4. 1980-81 Michigan Department of Education Study--missing Great Lakes Bible College and General Motors Institute.

5. 1982-83 Michigan Department of Education Study--missing Center for Humanistic Studies, Chapin J.C., Chrysler Institute, Great Lakes Bible College, Reformed Bible College, Sacred Heart and Shaw Colleges.

Both the 1976-77 and the 1978-79 Michigan Department of Education studies were completed by a total of 86 responding institutions. The 1980-81 survey was completed by a total of 85 schools. The 1982-83 survey was completed by 84 schools.

I. DESCRIPTION OF NEEDY UNDERGRADUATE AID APPLICANT POPULATION SERVED:

A. TOTAL NEEDY* UNDERGRADUATE APPLICANTS:

School Category	FULLTIME EQUATED (FTE) UNDERGRADUATE ENROLLMENT**					NEEDY* UNDERGRADUATE ENROLLMENT										% Needy Enrollment to FTE Change Between 1980-81 & 1982-83
						Number					Percent FTE					
	1974-75	1976-77	1978-79	1980-81	1982-83	1974-75	1976-77	1978-79	1980-81	1982-83	1974-75	1976-77	1978-79	1980-81	1982-83	
Public Two-Year	91,752	82,425	94,841	105,663	115,214	19,880	40,642	30,207	52,190	50,335	22%	49%	32%	49%	44%	-5%
Public Four-Year	150,568	157,660	157,490	167,936	156,990	56,110	60,403	67,127	82,840	95,004	37%	38%	43%	49%	61%	+12%
Private	42,025	41,465	42,688	45,235	47,796	18,750	24,751	24,378	29,156	32,202	45%	60%	57%	64%	67%	+3%
TOTAL	284,345	281,550	295,019	318,834	320,000	94,740	125,796	121,712	164,186	177,541	33%	45%	42%	51%	55%	+4%

*"Needy" defined as individuals having filed a financial statement which indicated an "expected family contribution" that was lower than the campus student expense budget in question (Cost - Family Contribution = Need).

**Data drawn from survey forms, but instructions indicate that it should be based upon HEGIS information previously filed for the year in question.

B 1. RACIAL MIX OF NEEDY UNDERGRADUATE AID APPLICANTS:

Racial Category	SCHOOL TYPE						Total*	
	Public Two-Year		Public Four-Year		Private			
	Number	%	Number	%	Number	%	Number	%
1974-75			NO DATA AVAILABLE					
White								
Nonwhite								
TOTAL*								
1976-77								
White	21,859	54%	47,897	79%	17,415	74%	81,171	70%
Nonwhite	18,783	46%	12,506	21%	6,159	26%	37,448	30%
TOTAL*	40,642	100%	60,403	100%	23,574	100%	124,619	100%
1978-79								
White	19,105	63%	47,492	78%	17,950	76%	84,547	74%
Nonwhite	10,912	37%	13,554	22%	5,593	24%	30,059	26%
TOTAL*	30,017	100%	61,046	100%	23,543	100%	114,606	100%
1980-81								
White	31,621	61%	65,764	79%	22,082	76%	119,467	73%
Nonwhite	20,569	39%	17,076	21%	7,074	24%	44,719	27%
TOTAL*	52,190	100%	32,840	100%	29,156	100%	164,186	100%
1982-83								
White	28,786	57%	79,298	83%	22,145	77%	130,229	75%
Nonwhite	21,395	43%	15,706	17%	6,552	23%	43,653	25%
TOTAL*	50,181	100%	95,004	100%	28,697	100%	173,882	100%

*Totals may differ slightly from other tables because not all respondents completed this section of the survey form.

B 2. RACIAL MIX OF NEEDY UNDERGRADUATE AID RECIPIENTS:

The 1978-79 through 1982-83 surveys also included a question regarding the racial mix of needy aid recipients.

Racial Category	SCHOOL TYPE						Total*	
	Public Two-Year		Public Four-Year		Private			
	Number	%	Number	%	Number	%	Number	%
1974-75 and 1976-77								
White								
Nonwhite			NO DATA AVAILABLE					
TOTAL*								
1978-79								
White	18,587	63%	46,310	77%	17,725	78%	82,622	74%
Nonwhite	10,671	37%	13,519	23%	5,131	22%	29,321	26%
TOTAL*	29,258	100%	59,829	100%	22,856	100%	111,943	100%
1980-81								
White	30,181	61%	62,603	79%	21,785	76%	114,569	73%
Nonwhite	19,589	39%	16,384	21%	7,025	24%	42,998	27%
TOTAL*	49,770	100%	78,987	100%	28,810	100%	157,567	100%
1982-83								
White	29,406	59%	75,059	83%	22,000	77%	126,465	75%
Nonwhite	20,681	41%	14,920	17%	6,432	23%	42,033	25%
TOTAL*	50,087	100%	89,979	100%	28,432	100%	168,498	100%

*Totals may differ slightly from other tables because not all respondents completed this section of the survey form.

A comparison of the information in Tables I B 1 and I B 2 tends to show that there are no "sizable" changes in the mix of needy "applicants" and "recipients" being reported for any given year studied. Thus, both minority and white applicants generally appear to be obtaining aid funds consistent with their overall rate of application.

C 1. SEX DISTRIBUTION OF NEEDY UNDERGRADUATE APPLICANTS:

Sex Category	SCHOOL TYPE						Total*	
	Public Two-Year		Public Four-Year		Private			
	Number	%	Number	%	Number	%	Number	%
1974-75								
Male			NO	DATA	AVAI	LABLE		
Female								
TOTAL*								
1976-77								
Male	14,972	37%	29,433	49%	11,456	49%	55,861	45%
Female	25,670	63%	30,970	51%	12,118	51%	68,758	55%
TOTAL*	40,642	100%	60,403	100%	23,574	100%	124,619	100%
1978-79								
Male	12,142	40%	31,472	48%	11,413	48%	55,027	46%
Female	18,065	60%	33,481	52%	12,554	52%	64,100	54%
TOTAL*	30,207	100%	64,953	100%	23,967	100%	119,127	100%
1980-81								
Male	21,605	41%	41,748	50%	13,005	45%	76,358	46%
Female	30,583	59%	41,094	50%	16,151	55%	87,828	54%
TOTAL*	52,188	100%	82,842	100%	29,156	100%	164,186	100%
1982-83								
Male	18,844	37%	47,598	50%	14,335	49%	80,777	46%
Female	31,491	63%	47,406	50%	14,980	51%	93,877	54%
TOTAL*	50,335	100%	95,004	100%	29,315	100%	174,654	100%

*Totals may differ slightly from other tables because not all respondents completed this section of the survey form.

C 2. SEX DISTRIBUTION OF NEEDY UNDERGRADUATE AID RECIPIENTS:

The 1978-79 through 1982-83 surveys also included a question regarding the sex mix of needy aid recipients.

Sex Category	SCHOOL TYPE						Total*	
	Public Two-Year		Public Four-Year		Private			
	Number	%	Number	%	Number	%	Number	%
1974-75 & 1976-77								
Male			NO DATA AVAILABLE					
Female								
TOTAL*								
1978-79								
Male	11,853	40%	30,608	48%	11,324	49%	53,785	46%
Female	17,593	60%	32,726	52%	11,947	51%	62,266	54%
TOTAL*	29,446	100%	63,334	100%	23,271	100%	116,051	100%
1980-81								
Male	20,540	41%	39,695	50%	12,810	45%	73,045	46%
Female	29,228	59%	39,292	50%	15,915	55%	84,435	54%
TOTAL*	49,768	100%	78,987	100%	28,725	100%	157,480	100%
1982-83								
Male	19,157	38%	45,074	50%	14,273	49%	78,504	46%
Female	31,629	62%	44,905	50%	14,777	51%	91,311	54%
TOTAL*	50,786	100%	89,979	100%	29,050	100%	169,815	100%

*Totals may differ slightly from other tables because not all respondents completed this section of the survey form.

A comparison of the information in Tables I C 1 and I C 2 tends to show that there are no "sizeable" changes in the mix of needy "applicants" and "recipients" being reported for any given year studied. Thus, male and female applicants both generally appear to be obtaining aid funds consistent with their overall rate of application.

D. DEPENDENCY DISTRIBUTION OF NEEDY UNDERGRADUATE AID APPLICANTS:

Student Aid Filing Status	SCHOOL TYPE						Total*	
	Public Two-Year		Public Four-Year		Private			
	Number	%	Number	%	Number	%	Number	%
1974-75								
Dependent								
Independent			NO DATA AVAILABLE					
TOTAL*								
1976-77								
Dependent	17,566	43%	46,407	77%	18,846	80%	82,819	67%
Independent	23,076	57%	13,996	23%	4,728	20%	41,800	33%
TOTAL*	40,642	100%	60,403	100%	23,574	100%	124,619	100%
1978-79								
Dependent	15,396	57%	50,768	76%	19,040	79%	85,204	70%
Independent	14,811	43%	16,359	24%	5,163	21%	36,333	30%
TOTAL*	30,207	100%	67,127	100%	24,203	100%	121,537	100%
1980-81								
Dependent	24,315	47%	60,707	73%	22,448	77%	107,470	65%
Independent	27,875	53%	22,133	27%	6,708	23%	56,716	35%
TOTAL*	52,190	100%	82,840	100%	29,156	100%	164,186	100%
1982-83								
Dependent	20,526	41%	70,677	74%	23,067	74%	114,270	65%
Independent	29,809	59%	24,327	26%	8,068	26%	62,204	35%
TOTAL*	50,335	100%	95,004	100%	31,135	100%	176,474	100%

*Totals may differ from other tables because not all respondents completed this section of the survey form.

E. RESIDENCY DISTRIBUTION OF NEEDY UNDERGRADUATE AID APPLICANTS:

Student Residency Status	SCHOOL TYPE						Total*	
	Public Two-Year		Public Four-Year		Private			
	Number	%	Number	%	Number	%	Number	%
1974-75								
InState/Dist.								
OutState/Dist.			NO DATA AVAILABLE					
TOTAL*								
1976-77								
InState/Dist.	32,527	81%	55,532	92%	19,108	81%	107,167	87%
Outstate/Dist.	7,393	19%	4,871	8%	4,466	19%	16,730	12%
TOTAL*	39,920	100%	60,403	100%	23,574	100%	123,897	100%
1978-79								
InState/Dist.	25,015	83%	61,781	92%	19,635	81%	106,431	88%
OutState/Dist.	5,192	17%	5,346	8%	4,568	19%	15,106	12%
TOTAL*	30,207	100%	67,127	100%	24,203	100%	121,537	100%
1980-81								
InState/Dist.	41,836	80%	76,725	92%	24,913	85%	143,474	87%
Outstate/Dist.	10,354	20%	6,115	8%	4,243	15%	20,712	13%
TOTAL*	52,190	100%	82,840	100%	29,156	100%	164,186	100%
1982-83								
InState/Dist.	38,761	78%	87,919	93%	24,804	85%	151,484	87%
OutState/Dist.	10,980	22%	7,085	7%	4,511	15%	22,576	13%
TOTAL*	49,741	100%	95,004	100%	29,315	100%	174,060	100%

*Totals may differ from other tables because not all respondents completed this section of the survey form.

F. ENROLLMENT DISTRIBUTION OF NEEDY UNDERGRADUATE AID APPLICANTS:

Student Applicant Enrollment Status	SCHOOL TYPE						Total*	
	Public Two-Year		Public Four-Year		Private			
	Number	%	Number	%	Number	%	Number	%
1974-75								
Fulltime								
Parttime			NO DATA AVAILABLE					
TOTAL*								
1976-77								
Fulltime	29,542	74%	57,540	95%	21,690	92%	108,772	88%
Parttime	10,378	26%	2,863	5%	1,884	8%	15,125	12%
TOTAL*	39,920	100%	60,403	100%	23,574	100%	123,897	100%
1978-79								
Fulltime	19,887	66%	60,421	90%	21,481	89%	101,789	84%
Parttime	10,320	34%	6,706	10%	2,722	11%	19,748	16%
TOTAL*	30,207	100%	67,127	100%	24,203	100%	121,537	100%
1980-81								
Fulltime	33,806	65%	77,346	93%	25,377	87%	136,489	83%
Parttime	18,384	35%	5,494	7%	3,819	13%	27,697	17%
TOTAL*	52,190	100%	82,840	100%	29,156	100%	164,186	100%
1982-83								
Fulltime	34,143	68%	86,354	91%	27,411	88%	147,908	84%
Halftime	14,695	29%	7,573	8%	3,307	11%	25,575	14%
Less than Halftime	1,497	3%	1,077	1%	417	1%	2,991	2%
TOTAL*	50,335	100%	95,004	100%	31,135	100%	176,474	100%

*Totals may differ from other tables because not all respondents completed this section of the survey form.

II. TOTAL UNDERGRADUATE AID DOLLARS DISTRIBUTED:

A. CHANGE IN OVERALL NUMBER OF UNDERGRADUATE STUDENTS AND AID DOLLARS OVER TIME:

School Type	Total FTE Undergraduate Students									Total Needy Undergraduate Students								
						Percent Change									Percent Change			
	1974-75	1976-77	1978-79	1980-81	1982-83	74-75 to 76-77	76-77 to 78-79	78-79 to 80-81	80-81 to 82-83	1974-75	1976-77	1978-79	1980-81	1982-83	74-75 to 76-77	76-77 to 78-79	78-79 to 80-81	80-81 to 82-83
Public 2-Year	91,752	82,425	94,841	105,663	115,214	-10%	+15%	+11%	+9%	19,880	40,642	30,207	52,190	50,335	+104%	-25%	+73%	-4%
Public 4-Year	150,568	157,660	157,490	167,936	156,990	+ 5%	0%	+ 7%	-6%	56,110	60,403	67,127	82,840	95,004	+ 8%	+11%	+23%	+15%
Private	42,025	41,465	42,688	45,235	47,796	+ 1%	+ 3%	+ 6%	+6%	18,750	24,751	24,378	29,156	32,202	+ 32%	- 2%	+20%	+10%
TOTAL	284,345	281,550	295,019	318,834	320,000	- 1%	+ 5%	+ 8%	+1%	94,740	125,796	121,712	164,186	177,541	+ 33%	- 3%	+34%	+ 8%

School Type	Total Undergraduate (Need & NonNeed) Aid Dollars Dist.					Percent Change			
	1974-75	1976-77	1978-79	1980-81	1982-83	74-75 to 76-77	76-77 to 78-79	78-79 to 80-81	80-81 to 82-83
Public 2-Year	$ 21,690,000	$ 34,297,164	$ 32,736,826	$ 53,507,317	$ 66,293,598	+58%	- 5%	+63%	+24%
Public 4-Year	98,380,000	119,224,277	157,644,434	295,560,189	306,379,203	+21%	+32%	+87%	+ 4%
Private	39,400,000	53,922,164	66,751,210	116,152,368	121,962,797	+37%	+23%	+74%	+ 5%
TOTAL	$159,470,000	$207,443,605	$257,132,470	$465,219,874	$494,635,598	+30%	+24%	+80%	+ 6%

B. UNDERGRADUATE AID DOLLARS BY BASIS OF DISTRIBUTION:

Year and School Type	TOTAL AID DOLLARS DISTRIBUTED					
	Need-Based		Nonneed-Based		Total	
	Dollars	%	Dollars	%	Dollars	%
1974-75						
Public 2-Year						
Public 4-Year		NO DATA AVAILABLE				
Private						
TOTAL						
1976-77						
Public 2-Year	$ 30,037,236	88%	$ 4,259,928	12%	$ 34,297,164	100%
Public 4-Year	77,818,592	65%	41,405,685	35%	119,224,277	100%
Private	46,876,946	87%	7,045,218	13%	53,922,164	100%
TOTAL	$154,732,774	75%	$ 52,710,831	25%	$207,443,605	100%
1978-79						
Public 2-Year	$ 25,608,673	78%	$ 7,128,153	22%	$ 32,736,826	100%
Public 4-Year	83,991,173	53%	73,653,261	47%	157,644,434	100%
Private	50,685,538	76%	16,065,672	24%	66,751,210	100%
TOTAL	$160,285,384	62%	$ 96,847,086	38%	$257,132,470	100%
1980-81						
Public 2-Year	$ 37,075,586	69%	$ 16,431,731	31%	$ 53,507,317	100%
Public 4-Year	108,891,592	37%	186,668,597	63%	295,560,189	100%
Private	71,285,207	61%	44,867,161	39%	116,152,368	100%
TOTAL	$217,252,385	47%	$247,967,489	53%	$465,219,874	100%
1982-83						
Public 2-Year	$ 56,094,626	85%	$ 10,198,972	15%	$ 66,293,598	100%
Public 4-Year	243,511,271	79%	62,867,932	21%	306,379,203	100%
Private	95,772,280	79%	26,190,517	21%	121,962,797	100%
TOTAL	$395,378,177	80%	$ 99,257,421	20%	$494,635,598	100%

C. UNDERGRADUATE NEED-BASED AID DOLLARS BY SOURCE OF FUNDS INVOLVED:

YEAR AND SCHOOL TYPE	FEDERAL FUNDS			STATE FUNDS			INSTITUTIONAL FUNDS** (GEN. & RESTRICTED)			PRIVATE FUNDS			TOTAL* NEED-BASED FUNDS		
	Dollars	Row %	Col %	Dollars	Row %	Col %	Dollars	Row %	Col %	Dollars	Row %	Col %	Dollars	Row %	Col %
1974-75															
Pub. 2-Yr.				NO DATA AVAILABLE											
Pub. 4-Yr.															
Private															
TOTAL*															
1976-77															
Pub. 2-Yr.	$ 26,756,879	89%	29%	$ 1,054,304	4%	4%	$ 1,486,503	5%	5%	$ 737,682	2%	12%	$ 30,035,368	100%	19%
Pub. 4-Yr.	45,516,754	58%	50%	9,435,077	12%	37%	19,130,112	25%	62%	3,736,649	5%	60%	77,818,592	100%	50%
Private	19,682,328	43%	21%	15,157,430	32%	59%	10,292,088	22%	33%	1,745,599	3%	28%	46,877,445	100%	31%
TOTAL*	$ 91,955,961	59%	100%	$25,646,811	17%	100%	$ 30,908,703	20%	100%	$ 6,219,930	4%	100%	$154,731,405	100%	100%
1978-79															
Pub. 2-Yr.	$ 20,036,843	78%	22%	$ 1,963,479	8%	6%	$ 2,852,573	11%	9%	$ 755,778	3%	10%	$ 25,608,673	100%	16%
Pub. 4-Yr.	49,040,130	58%	55%	12,594,381	15%	38%	17,489,398	21%	59%	4,867,264	6%	65%	83,991,173	100%	52%
Private	20,414,770	40%	23%	18,752,800	37%	56%	9,596,754	19%	32%	1,921,214	4%	25%	50,685,538	100%	32%
TOTAL*	$ 89,491,743	56%	100%	$33,310,660	21%	100%	$ 29,938,725	19%	100%	$ 7,544,256	4%	100%	$160,285,384	100%	100%
1980-81															
Pub. 2-Yr.	$ 32,794,368	89%	25%	$ 704,298	2%	2%	$ 3,132,896	8%	6%	$ 444,024	1%	15%	$ 37,075,586	100%	17%
Pub. 4-Yr	69,605,488	64%	52%	12,121,662	11%	42%	25,587,040	24%	49%	1,577,402	1%	51%	108,891,592	100%	50%
Private	30,896,709	43%	23%	16,241,949	23%	56%	23,109,599	32%	45%	1,036,950	2%	34%	71,285,207	100%	33%
TOTAL*	$133,296,565	61%	100%	$29,067,909	13%	100%	$ 51,829,335	24%	100%	$ 3,058,376	2%	100%	$217,252,385	100%	100%
1982-83															
Pub. 2-Yr.	$ 32,890,386	59%	26%	$ 3,364,024	6%	4%	$ 2,868,358	5%	5%	$16,971,858	30%	12%	$ 56,094,626	100%	14%
Pub. 4-Yr.	68,936,658	28%	53%	43,834,874	18%	58%	35,223,396	15%	65%	95,516,343	39%	70%	243,511,271	100%	62%
Private	27,049,003	28%	21%	28,690,646	30%	38%	16,071,751	17%	30%	23,960,880	25%	18%	95,772,280	100%	24%
TOTAL*	$128,876,047	33%	100%	$75,889,544	19%	100%	$ 54,163,505	14%	100%	$136,449,081	34%	100%	$395,378,177	100%	100%

*Totals may differ from other tables, as not all respondents completed this section of the survey form.

** For reporting convenience includes state general fund dollars which were utilized for student financial aid purposes. Separate Department of Management and Budget reports indicate that the total general fund dollars used for student aid (all levels) is roughly $40,000,000 per year.

D. UNDERGRADUATE NEED-BASED DOLLARS BY AID TYPE:

YEAR AND SCHOOL TYPE	SCHOLARSHIP/GRANT			LOAN			WORK			TOTAL*		
	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %
1974-75				NO DATA AVAILABLE								
Pub. 2-Yr.												
Pub. 4-Yr.												
Private												
TOTAL*												
1976-77												
Pub. 2-Yr.	$ 23,687,376	79%	22%	$ 2,785,063	9%	11%	$ 3,562,929	12%	18%	$ 30,035,368	100%	19%
Pub. 4-Yr.	51,782,531	67%	47%	16,306,022	21%	65%	9,730,039	12%	49%	77,818,592	100%	50%
Private	34,551,369	74%	31%	5,947,484	13%	24%	6,378,592	13%	33%	46,877,445	100%	31%
TOTAL*	$110,021,276	71%	100%	$ 25,038,569	16%	100%	19,671,560	13%	100%	$154,731,405	100%	100%
1978-79												
Pub. 2-Yr.	$ 17,741,877	69%	16%	$ 3,569,256	14%	13%	$ 4,297,540	17%	23%	$ 25,608,673	100%	16%
Pub. 4-Yr.	56,672,869	67%	50%	18,305,073	22%	65%	9,013,231	11%	47%	83,991,173	100%	52%
Private	38,777,352	77%	34%	6,251,032	12%	22%	5,657,154	11%	30%	50,685,538	100%	32%
TOTAL*	$113,192,098	71%	100%	$ 28,125,361	17%	100%	$ 18,967,925	12%	100%	$160,285,384	100%	100%
1980-81												
Pub. 2-Yr.	$ 29,821,406	80%	19%	$ 2,182,466	6%	9%	$ 5,071,714	14%	16%	$ 37,075,586	100%	17%
Pub. 4-Yr.	75,817,171	70%	47%	$ 15,813,059	15%	65%	17,261,362	15%	53%	108,891,592	100%	50%
Private	54,601,251	77%	34%	6,476,962	9%	26%	10,206,994	14%	31%	71,285,207	100%	33%
TOTAL*	$160,239,828	74%	100%	$ 24,472,487	11%	100%	$ 32,540,070	15%	100%	$217,252,385	100%	100%
1982-83												
Pub. 2-Yr.	$ 30,671,456	55%	19%	$ 15,551,775	28%	8%	$ 9,871,395	17%	21%	$ 56,094,626	100%	14%
Pub. 4-Yr.	81,609,686	33%	50%	132,902,691	55%	72%	28,998,894	12%	61%	243,511,271	100%	62%
Private	50,440,993	53%	31%	36,803,062	38%	20%	8,528,225	9%	18%	95,772,280	100%	24%
TOTAL*	$162,722,135	41%	100%	$185,257,528	47%	100%	$ 47,398,514	12%	100%	$395,378,177	100%	100%

*Totals may differ from other tables, as not all respondents completed this section of the survey.

E. DISTRIBUTION OF NEED-BASED DOLLARS BY TYPE AND SOURCE:

1. PUBLIC TWO-YEAR SCHOOLS:

YEAR AND SCHOOL TYPE	SCHOLARSHIP/GRANT			LOAN			WORK			TOTAL*		
	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %
1974-75												
Federal												
State				NO DATA AVAILABLE								
Institutional												
Private												
TOTAL*												
1976-77												
Federal	$20,002,946	82%	93%	$ 2,051,274	8%	74%	$ 2,702,659	10%	76%	$26,756,879	100%	89%
State	887,022	82%	4%	165,773	16%	6%	21,509	2%	1%	1,054,304	100%	4%
Institutional (Gen./Restric)	525,570	35%	2%	241,234	16%	9%	719,699	49%	20%	1,486,503	100%	5%
Private	291,838	40%	1%	326,782	44%	11%	119,062	16%	3%	737,682	100%	2%
TOTAL*	$23,687,376	79%	100%	$ 2,785,063	9%	100%	$ 3,562,929	12%	100%	$30,035,368	100%	100%
1978-79												
Federal	$16,123,423	80%	91%	$ 1,503,975	8%	42%	$ 2,409,445	12%	56%	$20,036,843	100%	78%
State	827,969	42%	5%	1,135,510	58%	32%	-0-	0%	0%	1,963,479	100%	8%
Institutional (Gen./Restric)	534,907	20%	3%	438,559	16%	12%	1,879,107	64%	44%	2,852,573	100%	11%
Private	255,578	34%	1%	491,212	65%	14%	8,988	1%	0%	755,778	100%	3%
TOTAL*	$17,741,877	69%	100%	$ 3,569,256	14%	100%	$ 4,297,540	17%	100%	$25,608,673	100%	100%
1980-81												
Federal	$27,870,897	85%	94%	$ 1,866,949	6%	86%	$ 3,056,522	9%	60%	$32,794,368	100%	88%
State	688,798	98%	2%	15,500	2%	1%	-0-	0%	0%	704,298	100%	2%
Instructional (Gen./Restric)	860,354	27%	3%	300,017	10%	13%	1,972,525	63%	39%	3,132,896	100%	9%
Private	401,357	90%	1%	-0-	0%	0%	42,667	10%	1%	444,024	100%	1%
TOTAL*	$29,821,406	80%	100%	$ 2,182,466	6%	100%	$ 5,071,714	14%	100%	$37,075,586	100%	100%
1982-83												
Federal	$29,132,260	89%	95%	$ 900,033	3%	6%	$ 2,858,093	8%	29%	$32,890,386	100%	59%
State	691,819	21%	2%	2,425,652	72%	16%	246,553	7%	2%	3,364,024	100%	6%
Institutional (Gen./Restric)	502,156	18%	2%	332,974	12%	2%	2,033,228	70%	21%	2,868,358	100%	5%
Private	345,221	2%	1%	11,893,116	70%	76%	4,733,521	28%	48%	16,971,858	100%	30%
TOTAL*	$30,671,456	55%	100%	$15,551,775	28%	100%	$ 9,871,395	17%	100%	$56,094,626	100%	100%

*Totals may differ from other tables, as not all respondents completed this section of the survey.

E. DISTRIBUTION OF NEED-BASED DOLLARS BY TYPE AND SOURCE:

2. PUBLIC FOUR-YEAR SCHOOLS:

YEAR AND SCHOOL TYPE	SCHOLARSHIP/GRANT			LOAN			WORK			TOTAL*		
	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %
1974-75												
Federal												
State												
Institutional (Gen./Restric)	NO DATA AVAILABLE											
Private												
TOTAL*												
1976-77												
Federal	$28,489,121	63%	55%	$10,051,943	22%	62%	$ 6,975,690	15%	72%	$ 45,516,754	100%	58%
State	8,839,246	94%	17%	574,304	6%	4%	21,527	0%	0%	9,435,077	100%	12%
Institutional (Gen./Restric)	13,082,644	68%	25%	3,563,445	19%	22%	2,484,023	13%	26%	19,130,112	100%	25%
Private	1,371,520	37%	3%	2,116,330	57%	12%	248,799	6%	2%	3,736,649	100%	5%
TOTAL*	$51,782,531	67%	100%	$16,306,022	21%	100%	$ 9,730,039	12%	100%	77,818,592	100%	100%
1978-79												
Federal	$30,390,881	62%	54%	$11,657,299	24%	64%	$ 6,991,950	14%	78%	$ 49,040,130	100%	58%
State	11,122,050	88%	20%	1,450,731	12%	8%	21,600	0%	0%	12,594,381	100%	15%
Institutional (Gen./Restric)	13,899,633	80%	24%	1,780,846	10%	10%	$ 1,808,919	10%	20%	17,489,398	100%	21%
Private	1,260,305	26%	2%	3,416,197	70%	18%	190,762	4%	2%	4,867,264	100%	6%
TOTAL*	$56,672,869	67%	100%	$18,305,073	22%	100%	$ 9,013,231	11%	100%	$ 83,991,173	100%	100%
1980-81												
Federal	$47,273,284	68%	62%	$13,642,702	20%	86%	$ 8,689,502	12%	51%	$ 69,605,488	100%	64%
State	12,039,684	99%	16%	61,990	1%	0%	19,988	0%	0%	12,121,662	100%	11%
Institutional (Gen./Restric)	15,165,771	60%	20%	2,108,367	8%	14%	8,312,902	32%	48%	25,587,040	100%	23%
Private	1,338,432	85%	2%	-0-	0%	0%	238,970	15%	1%	1,577,402	100%	2%
TOTAL*	$75,817,171	70%	100%	$15,813,059	15%	100%	$17,261,362	15%	100%	$108,891,592	100%	100%
1982-83												
Federal	$46,867,336	68%	58%	$13,307,411	19%	10%	$ 8,761,911	13%	30%	$ 68,936,658	100%	28%
State	11,675,129	27%	14%	32,141,365	73%	24%	18,380	0%	0%	43,834,874	100%	18%
Institutional (Gen./Restric)	21,279,450	60%	26%	1,316,834	4%	1%	12,627,112	36%	44%	35,223,396	100%	14%
Private	1,787,771	2%	2%	86,137,081	90%	65%	7,591,491	8%	26%	95,516,343	100%	40%
TOTAL*	$81,609,686	34%	100%	$132,902,691	54%	100%	$28,998,894	12%	100%	$243,511,271	100%	100%

*Totals may differ from other tables, as not all respondents completed this section of the survey.

E. DISTRIBUTION OF NEED-BASED DOLLARS BY TYPE AND SOURCE:

3. PRIVATE SCHOOLS:

YEAR AND SCHOOL TYPE	SCHOLARSHIP/GRANT			LOAN			WORK			TOTAL*		
	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %
1974-75	NO DATA AVAILABLE											
Federal												
State												
Institutional (Gen./Restric)												
Private												
TOTAL*												
1976-77												
Federal	$13,258,267	67%	38%	$ 3,819,497	20%	64%	$ 2,604,564	13%	41%	$19,682,328	100%	42%
State	14,648,650	97%	42%	506,026	3%	9%	2,754	0%	0%	15,157,430	100%	32%
Institutional (Gen./Restric)	5,961,949	58%	17%	986,805	10%	16%	3,343,334	32%	52%	10,292,088	100%	22%
Private	682,503	39%	3%	635,156	36%	11%	427,940	25%	7%	1,745,599	100%	4%
TOTAL*	$34,551,369	74%	100%	$ 5,947,484	13%	100%	$ 6,378,592	13%	100%	$46,877,445	100%	100%
1978-79												
Federal	$14,075,665	69%	36%	$ 3,576,868	18%	57%	$ 2,762,237	13%	49%	$20,414,770	100%	40%
State	17,560,253	94%	45%	1,192,547	6%	19%	-0-	0%	0%	18,752,800	100%	37%
Institutional (Gen./Restric)	6,604,127	69%	17%	589,396	6%	10%	2,403,231	25%	42%	9,596,754	100%	19%
Private	537,307	28%	2%	892,221	46%	14%	491,686	26%	9%	1,921,214	100%	4%
TOTAL*	$38,777,352	77%	100%	$ 6,251,032	12%	100%	$ 5,657,154	11%	100%	$[illegible]0,685,538	100%	100%
1980-81												
Federal	$21,725,748	70%	40%	$ 5,460,492	18%	84%	$ 3,710,469	12%	36%	$30,896,709	100%	43%
State	16,092,820	99%	29%	149,129	1%	2%	-0-	0%	0%	16,241,949	100%	23%
Institutional (Gen./Restric)	15,868,575	69%	29%	867,341	4%	14%	6,373,683	27%	63%	23,109,599	100%	32%
Private	914,108	88%	2%	-0-	0%	0%	122,842	12%	1%	1,036,950	100%	2%
Total*	$54,601,251	77%	100%	$ 6,476,962	9%	100%	$10,206,994	14%	100%	$71,285,207	100%	100%
1982-83												
Federal	$21,084,466	78%	42%	$ 2,933,019	11%	8%	$ 3,031,518	11%	36%	$27,049,003	100%	28%
State	19,160,045	67%	38%	9,530,601	33%	26%	-0-	0%	0%	28,690,646	100%	30%
Institutional (Gen./Restric)	9,099,830	57%	18%	1,517,292	9%	4%	5,454,629	34%	64%	16,071,751	100%	17%
Private	1,096,652	5%	2%	22,822,150	95%	62%	42,078	0%	0%	23,960,880	100%	25%
TOTAL*	$50,440,993	53%	100%	$36,803,062	38%	100%	$ 8,528,225	9%	100%	$95,772,280	100%	100%

*Totals may differ from other tables, as not all respondents completed this section of the survey form.

E. DISTRIBUTION OF NEED-BASED DOLLARS BY TYPE AND SOURCE:

4. ALL SCHOOLS:

YEAR AND SCHOOL TYPE	SCHOLARSHIP/GRANT			LOAN			WORK			TOTAL*		
	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %	Dollars	Row %	Col. %
1974-75												
Federal												
State												
Institutional (Gen./Restric)				NO DATA AVAILABLE								
Private												
TOTAL*												
1976-77												
Federal	$ 63,750,334	69%	58%	$ 15,922,714	17%	64%	$12,282,913	14%	63%	$ 91,955,961	100%	59%
State	24,354,918	95%	22%	1,246,103	5%	5%	45,790	0%	0%	25,646,811	100%	17%
Institutional (Gen./Restric)	19,570,163	63%	18%	4,791,484	16%	19%	6,547,056	21%	33%	30,908,703	100%	20%
Private	2,345,861	38%	2%	3,078,268	49%	12%	795,801	13%	4%	6,219,930	100%	4%
TOTAL*	$110,021,276	71%	100%	$ 25,038,569	16%	100%	$19,671,560	13%	100%	$154,731,405	100%	100%
1978-79												
Federal	$ 60,589,969	68%	54%	$ 16,738,142	19%	60%	$12,163,632	13%	64%	$ 89,491,743	100%	56%
State	29,510,272	89%	26%	3,778,788	11%	13%	21,600	0%	0%	33,310,660	100%	21%
Institutional (Gen./Restric)	21,038,667	71%	18%	2,808,801	9%	10%	6,091,257	20%	32%	29,938,725	100%	19%
Private	2,053,190	27%	2%	4,799,630	64%	17%	691,436	9%	4%	7,544,256	100%	4%
TOTAL*	$113,192,098	71%	100%	$ 28,125,361	17%	100%	$18,967,925	12%	100%	$160,285,384	100%	100%
1980-81												
Federal	$ 96,869,929	73%	60%	$ 20,970,143	16%	86%	$15,456,493	11%	48%	$133,296,565	100%	61%
State	28,821,302	99%	18%	226,619	1%	1%	19,988	0%	0%	29,067,909	100%	13%
Institutional (Gen./Restric)	31,894,700	62%	20%	3,275,725	6%	13%	16,659,110	32%	51%	51,829,535	100%	24%
Private	2,653,897	87%	2%	-0-	0%	0%	404,479	13%	1%	3,058,376	100%	2%
TOTAL*	$160,239,828	74%	100%	$ 24,472,487	11%	100%	$32,540,070	15%	100%	$217,252,385	100%	100%
1982-83												
Federal	$ 97,084,062	76%	60%	$ 17,140,463	13%	9%	$14,651,522	11%	31%	$128,876,047	100%	33%
State	31,526,993	42%	19%	44,097,618	58%	24%	264,933	0%	1%	75,889,544	100%	19%
Institutional (Gen/Restric)	30,881,436	57%	19%	3,167,100	6%	2%	20,114,969	37%	42%	54,163,505	100%	14%
Private	3,229,644	2%	2%	120,852,347	89%	65%	12,367,090	9%	26%	136,449,081	100%	34%
TOTAL*	$162,722,135	41%	100%	$185,257,528	47%	100%	$47,398,514	12%	100%	$395,378,177	100%	100%

*Totals may differ from other tables, as not all respondents completed this section of the survey.

F. NONNEED-BASED UNDERGRADUATE AID DOLLARS BY TYPE

YEAR AND SCHOOL TYPE	ACADEMIC ABILITY		ATHLETIC ABILITY		LOANS (No GSL/SDSL is Included for 1982-83)		EMPLOYMENT		OTHER SKILLS		TOTAL	
	DOLLARS	Row %	DOLLARS	Row %	DOLLARS	Row %	DOLLARS	Row %	DOLLARS	Row %	DOLLARS	Row %
1974-75												
Public 2-Yr.				NO DATA AVAILABLE								
Public 4-Yr.												
Private												
TOTAL												
1976-77												
Public 2-Yr.	$ 416,804	10%	$ 182,620	4%	$ 1,408,046	33%	$ 1,729,203	41%	$ 523,255	12%	$ 4,259,928	100%
Public 4-Yr.	5,218,309	13%	3,094,123	7%	16,746,521	40%	15,290,194	37%	1,056,538	3%	41,405,685	100%
Private	1,586,615	23%	343,112	5%	2,206,650	31%	1,508,962	21%	1,399,879	20%	7,045,218	100%
TOTAL	$ 7,221,728	14%	$ 3,619,855	7%	$ 20,361,217	39%	$ 18,528,359	35%	$ 2,979,672	5%	$ 52,710,831	100%
1978-79												
Public 2-Yr.	$ 1,047,206	15%	$ 184,536	2%	$ 2,692,182	38%	$ 2,913,106	41%	$ 291,123	4%	$ 7,128,153	100%
Public 4-Yr.	6,381,599	9%	4,285,842	6%	32,240,381	44%	29,184,308	39%	1,561,131	2%	73,653,261	100%
Private	2,272,750	14%	808,495	5%	7,965,511	50%	3,403,165	21%	1,615,751	10%	16,065,672	100%
TOTAL	$ 9,701,555	10%	$ 5,278,873	5%	$ 42,898,074	44%	$ 35,500,579	37%	$ 3,468,005	4%	$ 96,847,086	100%
1980-81												
Public 2-Yr.	$ 1,034,230	6%	$ 274,957	1%	$ 12,310,216	75%	$ 2,556,172	16%	$ 256,156	2%	$ 16,431,731	100%
Public 4-Yr.	8,714,311	5%	5,865,157	3%	122,617,431	66%	47,098,751	25%	2,372,947	1%	186,668,597	100%
Private	2,420,771	5%	887,574	2%	26,750,659	60%	3,992,246	9%	10,815,911	24%	44,867,161	100%
TOTAL	$ 12,169,312	5%	$ 7,027,688	3%	$161,678,306	65%	$ 53,647,169	22%	$13,445,014	5%	$247,967,489	100%
1982-83												
Public 2-Yr.	$ 1,356,202	13%	$ 236,894	2%	-0-	0%	$ 8,230,470	81%	$ 375,406	4%	$ 10,198,972	100%
Public 4-Yr.	13,976,151	22%	6,967,917	11%	50,665	0%	39,173,434	63%	2,699,765	4%	62,867,932	100%
Private	4,698,649	18%	1,274,579	5%	102,265	0%	4,232,088	16%	15,882,936	61%	26,190,517	100%
TOTAL	$ 20,031,002	20%	$ 8,479,390	9%	$ 152,930	0%	$ 51,635,992	52%	$18,958,107	19%	$ 99,257,421	100%

In many cases, however, this "nonneed-based" aid actually covered "need" that the students in question had already demonstrated in conjunction with other programs.

Average % of These Dollars Estimated by Schools to be Covering Demonstrated Need Present

1978-79	1980-81	1982-83

III. UNDERGRADUATE UNMET NEED REPORTED:

A. TOTAL DOLLAR AMOUNT OF UNDERGRADUATE UNMET NEED REPORTED

SCHOOL TYPE	AGGREGATE UNMET NEED REPORTED					TOTAL NEEDY STUDENTS REPORTED					AVERAGE UNMET NEED PER NEEDY STUDENT				
	1974-75	1976-77	1978-79	1980-81	1982-83	1974-75	1976-77	1978-79	1980-81	1982-83	74-75	76-77	78-79	80-81	82-83
Pub. 2-Yr.	$ 7,210,000	$16,496,753	$ 5,117,567	$19,022,036	$19,912,561	19,880	40,642	30,207	52,190	55,335	$363	$406	$169	$364	$360
Pub. 4-Yr.	14,440,000	11,863,914	12,916,670	25,628,251	27,488,373	56,130	60,403	67,127	82,080	95,004	257	196	192	312	289
Private	9,620,000	11,113,605	16,801,361	28,076,257	30,456,035	18,750	24,751	24,378	29,756	32,202	513	449	689	943	946
TOTAL	$31,270,000	$39,474,272	$34,835,598	$72,726,544	$77,856,969	94,760	125,796	121,712	164,186	177,541	$330	$314	$286	$443	$428

It can further be reported from the 1978-79 through 1982-83 data that, at year end, the following amount of campus-based federal aid funds were unutilized:

SCHOOL TYPE	1978-79 DOLLAR AMOUNT	1980-81 DOLLAR AMOUNT	1982-83 DOLLAR AMOUNT
Public 2-Year	$ 1,114,267	$ 741,620	$ 61,675
Public 4-Year	3,385,992	8,133	20,005
Private	1,032,144	33,891	13,451
TOTAL	$ 5,532,403	$ 783,644	$ 95,131

While most of these funds represent dollars that were received too late in the school year to allocate, they do represent resources that technically were available during the period in question.

III. UNDERGRADUATE UNMEET NEED REPORTED

B. COMPARATIVE PERCENTAGE OF NEED MET:

YEAR AND SCHOOL TYPE	PERCENT OF NEED REPORTEDLY MET											
	100%		75-99%		50-74%		25-49%		1-24%		0%	
	NUMBER	ROW %	NUMBER	ROW %	NUMBER	ROW %	NUMBER	ROW %	NUMBER	ROW %	NUMBER	ROW %
1974-75												
Public 2-Year	NA		NA		NA		NA		NA		3,950	20%
Public 4-Year	NA		NA		NA		NA		NA		7,010	12%
Private	NA		NA		NA		NA		NA		2,720	15%
TOTAL*											13,680	14%
1976-77												
Public 2-Year	13,615	33%	7,497	19%	13,008	33%	2,946	7%	1,060	3%	1,941	5%
Public 4-Year	44,375	73%	8,137	13%	3,563	6%	2,255	4%	1,085	2%	988	2%
Private	8,740	37%	8,383	36%	3,878	16%	1,840	8%	509	2%	224	1%
TOTAL*	66,730	54%	24,017	19%	20,449	16%	7,041	6%	2,654	2%	3,153	3%
1978-79												
Public 2-Year	18,494	61%	3,984	13%	4,335	14%	1,930	6%	703	3%	761	3%
Public 4-Year	47,760	72%	9,349	14%	3,844	7%	2,312	4%	971	1%	1,643	2%
Private	10,748	44%	7,038	29%	3,802	16%	1,599	7%	496	2%	695	2%
TOTAL*	77,002	64%	20,371	17%	11,981	10%	5,841	5%	2,170	2%	3,099	2%
1980-81												
Public 2-Year	15,984	31%	7,202	13%	11,248	22%	13,149	25%	2,187	4%	2,420	5%
Public 4-Year	48,172	58%	16,283	20%	7,427	9%	5,391	7%	1,714	2%	3,853	4%
Private	7,711	26%	10,739	37%	5,512	19%	3,193	11%	1,625	6%	376	1%
TOTAL*	71,867	44%	34,224	21%	24,187	15%	21,733	13%	5,526	3%	6,649	4%
1982-83												
Public 2-Year	9,579	19%	8,781	17%	15,037	30%	11,421	23%	3,098	6%	2,419	5%
Public 4-Year	58,506	63%	18,817	20%	6,784	7%	3,671	4%	2,201	3%	2,705	3%
Private	8,349	27%	9,766	31%	6,368	21%	3,722	12%	2,565	8%	435	1%
TOTAL*	76,434	44%	37,364	21%	28,189	16%	18,814	11%	7,864	5%	5,559	3%

*Totals may differ from other tables because not all respondents completed this section of the survey.

C. NUMBER OF STUDENTS RECEIVING DIFFERENT TYPES OF NEED-BASED AID (Not Unduplicated Student Numbers Between Aid Categories): No Comparable Earlier Data Are Available.

SCHOOL TYPE	AID TYPE								
	SCHOLARSHIPS/GRANTS			LOANS			WORK		
	1978-79	1980-81	1982-83	1978-79	1980-81	1982-83	1978-79	1980-81	1982-83
Public 2-Year	26,342	47,422	42,072	5,485	4,386	10,703	5,910	6,454	5,869
Public 4-Year	55,921	59,718	68,457	36,003	36,676	62,149	13,929	22,780	28,197
Private	22,452	26,680	26,395	8,347	10,187	16,504	8,822	10,448	9,574
TOTAL	104,715	133,820	136,924	49,835	51,249	89,356	28,661	39,682	43,640

D. AVERAGE AGE OF UNDERGRADUATE STUDENT AND NEEDY AID APPLICANT POPULATIONS: No Comparable Earlier Data Are Available.

SCHOOL TYPE	UNDERGRADUATE STUDENT BODY			NEEDY UNDERGRADUATE AID APPLICANTS		
	1978-79	1980-81	1982-83	1978-79	1980-81	1982-83
Public 2-Year	26.6 years	26.4 years	27.2 years	23.6 years	22.5 years	24.3 years
Public 4-Year	22.1 years	21.1 years	21.3 years	21.3 years	20.1 years	20.7 years
Private	21.4 years	20.6 years	21.0 years	20.8 years	20.3 years	20.5 years
OVERALL	23.4 years	22.7 years	22.9 years	21.9 years	20.9 years	21.2 years

IV. CAMPUS LEVEL UNDERGRADUATE AID ADMINISTRATIVE COSTS AND PERSONNEL REPORTED:

A. TOTAL UNDERGRADUATE AID ADMINISTRATIVE COSTS

SCHOOL TYPE	TOTAL (NEED AND NONNEED) UNDERGRADUATE AID DOLLARS REPORTED				
	1974-75	1976-77	1978-79	1980-81	1982-83
Public 2-Year	$ 21,690,000	$ 34,297,164	$ 32,736,826	$ 53,507,317	$ 66,293,598
Public 4-Year	98,380,000	119,224,277	157,644,434	295,560,189	306,379,203
Private	39,400,000	53,922,164	66,751,210	116,152,368	121,962,797
TOTAL	$159,470,000	$207,443,605	$257,132,470	$465,219,874	$494,635,598

SCHOOL TYPE	TOTAL UNDERGRADUATE ADMINISTRATIVE COSTS REPORTED									
	1974-75		1976-77		1978-79		1980-81		1982-83	
	DOLLARS	% AID	DOLLARS	% AID	DOLLARS	% AID	DOLLARS	% AID	DOLLARS	% AID
Public 2-Year	$1,330,000	6%	$1,915,093	6%	$ 3,579,489	10%	4,678,676	9%	$ 5,401,966	8%
Public 4-Year	2,880,000	3%	4,097,303	3%	6,580,674	4%	11,792,664	4%	8,569,300	3%
Private	$ 940,000	2%	1,269,949	2%	2,449,510	4%	3,069,182	3%	3,049,470	3%
TOTAL	$5,200,000	3%	$7,282,345	3%	$12,609,673	5%	19,540,522	4%	$17,020,736	3%

B. TOTAL FTE UNDERGRADUATE AID PERSONNEL

YEAR AND SCHOOL TYPE	AID OFFICE PROFESSIONAL	AID OFFICE CLERICAL AND STUDENT	BUSINESS OFFICE PROFESSIONAL	BUSINESS OFFICE CLERICAL	TOTAL
1974-75					
Public 2-Year	NO DATA AVAILABLE				
Public 4-Year					
Private					
TOTAL					
1976-77					
Public 2-Year	49	53	22	29	153
Public 4-Year	82	113	37	54	286
Private	55	47	42	48	192
TOTAL	186	213	101	131	631
1978-79					
Public 2-Year	60	96	20	31	207
Public 4-Year	105	189	36	60	390
Private	58	81	35	37	211
TOTAL	223	366	91	128	808
1980-81					
Public 2-Year	50	112	19	26	207
Public 4-Year	118	220	39	64	441
Private	58	64	42	32	196
TOTAL	226	396	100	122	844
1982-83					
Public 2-Year	63	127	25	40	255
Public 4-Year	125	277	42	74	518
Private	69	92	53	34	248
TOTAL	257	496	120	148	1,021

C. SELECTED UNDERGRADUATE AID PROGRAM PERSONNEL RATIOS:

YEAR AND SCHOOL TYPE	TOTAL FTE UNDERGRADUATE F.A. STAFF IN F.A. OFFICE	TOTAL NEED AND NONNEED UNDERGRADUATE AID DOLLARS DISTRIBUTED		TOTAL NEEDY APPLICANTS	
		DOLLARS	$/FTE STAFF	NUMBER	STU./FTE STAFF
1974-75	NO DATA AVAILABLE				
Public 2-Year					
Public 4-Year					
Private					
TOTAL					
1976-77					
Public 2-Year	102	$ 34,297,164	$336,247	40,642	399
Public 4-Year	195	119,224,277	611,407	60,403	310
Private	102	53,922,164	528,649	24,751	243
TOTAL	399	$207,443,605	$519,909	125,796	316
1978-79					
Public 2-Year	156	$ 32,736,826	$209,851	30,207	194
Public 4-Year	294	157,644,434	536,206	67,127	228
Private	139	66,751,210	480,225	24,378	175
TOTAL	589	$257,132,470	$436,558	121,712	207
1980-81					
Public 2-Year	162	$ 53,507,317	$330,292	52,190	322
Public 4-Year	338	295,560,189	874,438	82,840	245
Private	122	116,152,368	952,068	29,156	238
TOTAL	622	$465,219,874	$747,942	164,185	264
1982-83					
Public 2-Year	190	$ 66,293,598	$348,914	50,335	265
Public 4-Year	402	306,379,203	762,137	95,004	236
Private	161	121,962,797	757,533	32,202	200
TOTAL	753	$494,635,598	$656,887	177,541	236

V. SELECTED 1982-83 TOTAL (FEDERAL AND MATCH) DATA BY INDIVIDUAL PROGRAM.
No earlier comparable data available.

A. UNDERGRADUATE 1982-83 NDSL RECIPIENTS AND DOLLARS BY FAMILY INCOME LEVEL AND SCHOOL TYPE

	NDSL RECIPIENTS			NDSL DOLLARS		
School Type & Income Level	Number	U.G. Sector % Total	Undergrad. % Grand Total	Amount	U.G. Sector % Total	% U.G. Grand Total
Public 2-Year						
$ 0- 5,999	92	6%	NA	$38,625	5%	NA
6,000-11,999	129	8%	NA	55,851	8%	NA
12,000-17,999	130	8%	NA	67,097	9%	NA
18,000-23,999	124	8%	NA	71,688	10%	NA
24,000-29,999	114	7%	NA	60,186	8%	NA
30,000 & Over	78	5%	NA	41,466	6%	NA
U.G. Inde.	923	58%	NA	387,386	54%	NA
U.G. TOTAL	1,590	100%	6%	$722,299	100%	4%
Public 4-Year						
$ 0- 5,999	1,479	7%	NA	$ 911,927	7%	NA
6,000-11,999	2,151	11%	NA	1,396,455	10%	NA
12,000-17,999	3,047	15%	NA	1,996,174	14%	NA
18,000-23,999	3,429	18%	NA	2,183,585	16%	NA
24,000-29,999	2,416	12%	NA	1,591,358	12%	NA
30,000 & Over	2,425	12%	NA	1,654,268	12%	NA
U.G. Inde.	4,867	25%	NA	4,042,031	29%	NA
U.G. TOTAL	19,814	100%	71%	$13,775,798	100%	78%
Private						
$ 0- 5,999	281	7%	NA	182,949	6%	NA
6,000-11,999	462	11%	NA	339,928	11%	NA
12,000-17,999	561	13%	NA	446,596	14%	NA
18,000-23,999	703	17%	NA	547,204	17%	NA
24,000-29,999	734	17%	NA	560,321	17%	NA
30,000 & Over	936	22%	NA	735,224	23%	NA
U.G. Inde.	580	13%	NA	400,671	12%	NA
U.G. TOTAL	4,257	100%	17%	$3,212,893	100%	18%
Total						
$ 0- 5,999	1,852	NA	7%	$1,133,501	NA	6%
6,000-11,999	2,742	NA	11%	1,792,234	NA	10%
12,000-17,999	3,738	NA	15%	2,509,867	NA	14%
18,000-23,999	4,256	NA	17%	2,802,477	NA	16%
24,000-29,999	3,264	NA	13%	2,211,865	NA	12%
30,000 & Over	3,439	NA	13%	2,430,958	NA	14%
U.G. Inde.	6,370	NA	24%	4,830,088	NA	28%
U.G. GRAND TOTAL	25,661	NA	100%	$17,710,990	NA	100%

V. SELECTED 1982-83 TOTAL (FEDERAL AND MATCH) DATA BY INDIVIDUAL PROGRAM. No Earlier Comparable Data Available.

B. UNDERGRADUATE 1982-83 SEOG (IY & CY) RECIPIENTS AND DOLLARS BY FAMILY INCOME LEVEL AND SCHOOL TYPE

	SEOG RECIPIENTS			SEOG DOLLARS		
School Type & Income Level	Number	U.G. Sector % Total	Undergrad. % Grand Total	Amount	U.G. Sector % Total	% U.G. Grand Total
Public 2-Year						
$ 0- 5,999	450	10%	NA	$ 134,718	10%	NA
6,000-11,999	433	10%	NA	115,460	9%	NA
12,000-17,999	339	7%	NA	93,560	7%	NA
18,000-23,999	260	6%	NA	83,975	6%	NA
24,000-29,999	165	4%	NA	53,413	4%	NA
30,000 & Over	99	2%	NA	32,213	2%	NA
U.G. Inde.	2,792	61%	NA	816,506	62%	NA
U.G. TOTAL	4,538	100%	21%	$1,329,845	100%	12%
Public 4-Year						
$ 0- 5,999	1,210	10%	NA	$ 605,669	10%	NA
6,000-11,999	1,669	14%	NA	867,824	14%	NA
12,000-17,999	2,224	19%	NA	1,082,600	17%	NA
18,000-23,999	1,747	15%	NA	940,515	15%	NA
24,000-29,999	1,222	10%	NA	696,896	11%	NA
30,000 & Over	1,010	8%	NA	568,334	9%	NA
U.G. Inde.	2,894	24%	NA	1,485,305	24%	NA
U.G. TOTAL	11,976	100%	55%	$6,247,143	100%	56%
Private						
$ 0- 5,999	491	9%	NA	$ 315,150	9%	NA
6,000-11,999	639	12%	NA	398,477	12%	NA
12,000-17,999	758	14%	NA	505,635	15%	NA
18,000-23,999	797	15%	NA	571,751	16%	NA
24,000-29,999	803	15%	NA	557,646	16%	NA
30,000 & Over	859	17%	NA	609,290	17%	NA
U.G. Inde.	910	18%	NA	534,172	15%	NA
U.G. TOTAL	5,257	100%	24%	$3,492,121	100%	32%
Total						
$ 0- 5,999	2,151	NA	10%	$1,055,537	NA	10%
6,000-11,999	2,741	NA	13%	1,381,761	NA	12%
12,000-17,999	3,321	NA	15%	1,681,795	NA	15%
18,000-23,999	2,804	NA	13%	1,555,241	NA	14%
24,000-29,999	2,190	NA	10%	1,307,955	NA	12%
30,000 & Over	1,968	NA	9%	1,209,837	NA	11%
U.G. Inde.	6,596	NA	30%	2,835,983	NA	26%
U.G. GRAND TOTAL	21,771	NA	100%	$11,069,109	NA	100%

V. SELECTED 1982-83 TOTAL (FEDERAL AND MATCH) DATA BY INDIVIDUAL PROGRAM. No Earlier Comparable Data Available.

C. UNDERGRADUATE 1982-83 CWS RECIPIENTS AND DOLLARS BY FAMILY INCOME LEVEL AND SCHOOL TYPE

	CWS RECIPIENTS			CWS DOLLARS		
School Type & Income Level	Number	U.G. Sector % Total	Undergrad. % Grand Total	Amount	U.G. Sector % Total	% U.G. Grand Total
Public 2-Year						
$ 0- 5,999	404	10%	NA	$331,138	9%	NA
6,000-11,999	520	13%	NA	439,638	12%	NA
12,000-17,999	453	11%	NA	406,921	11%	NA
18,000-23,999	375	9%	NA	330,523	9%	NA
24,000-29,999	267	7%	NA	247,962	7%	NA
30,000 & Over	156	4%	NA	136,659	4%	NA
U.G. Inde.	1,896	46%	NA	1,782,526	48%	NA
U.G. TOTAL	4,071	100%	18%	$3,675,367	100%	20%
Public 4-Year						
$ 0- 5,999	1,105	8%	NA	$975,419	9%	NA
6,000-11,999	1,661	12%	NA	1,446,426	13%	NA
12,000-17,999	2,187	16%	NA	1,782,036	16%	NA
18,000-23,999	2,322	17%	NA	1,861,639	17%	NA
24,000-29,999	2,015	15%	NA	1,508,601	14%	NA
30,000 & Over	1,446	11%	NA	1,106,267	10%	NA
U.G. Inde.	2,851	21%	NA	2,356,006	21%	NA
U.G. TOTAL	13,587	100%	59%	$11,036,394	100%	59%
Private						
$ 0- 5,999	476	9%	NA	$398,249	11%	NA
6,000-11,999	573	11%	NA	432,315	11%	NA
12,000-17,999	665	13%	NA	510,494	13%	NA
18,000-23,999	796	15%	NA	617,481	16%	NA
24,000-29,999	829	16%	NA	623,421	16%	NA
30,000 & Over	1,195	23%	NA	742,620	19%	NA
U.G. Inde.	709	13%	NA	545,512	14%	NA
U.G. TOTAL	5,243	100%	23%	$3,870,092	100%	21%
Total						
$ 0- 5,999	1,985	NA	9%	$1,704,806	NA	9%
6,000-11,999	2,754	NA	12%	2,318,379	NA	12%
12,000-17,999	3,305	NA	14%	2,699,451	NA	15%
18,000-23,999	3,493	NA	15%	2,809,643	NA	15%
24,000-29,999	3,111	NA	14%	2,379,984	NA	13%
30,000 & Over	2,797	NA	12%	1,985,546	NA	11%
U.G. Inde.	5,456	NA	24%	4,684,044	NA	25%
U.G. GRAND TOTAL	22,901	NA	100%	$18,581,853	NA	100%

V. SELECTED 1982-83 TOTAL (FEDERAL AND MATCH) DATA BY INDIVIDUAL PROGRAM. No Earlier Comparable Data Available.

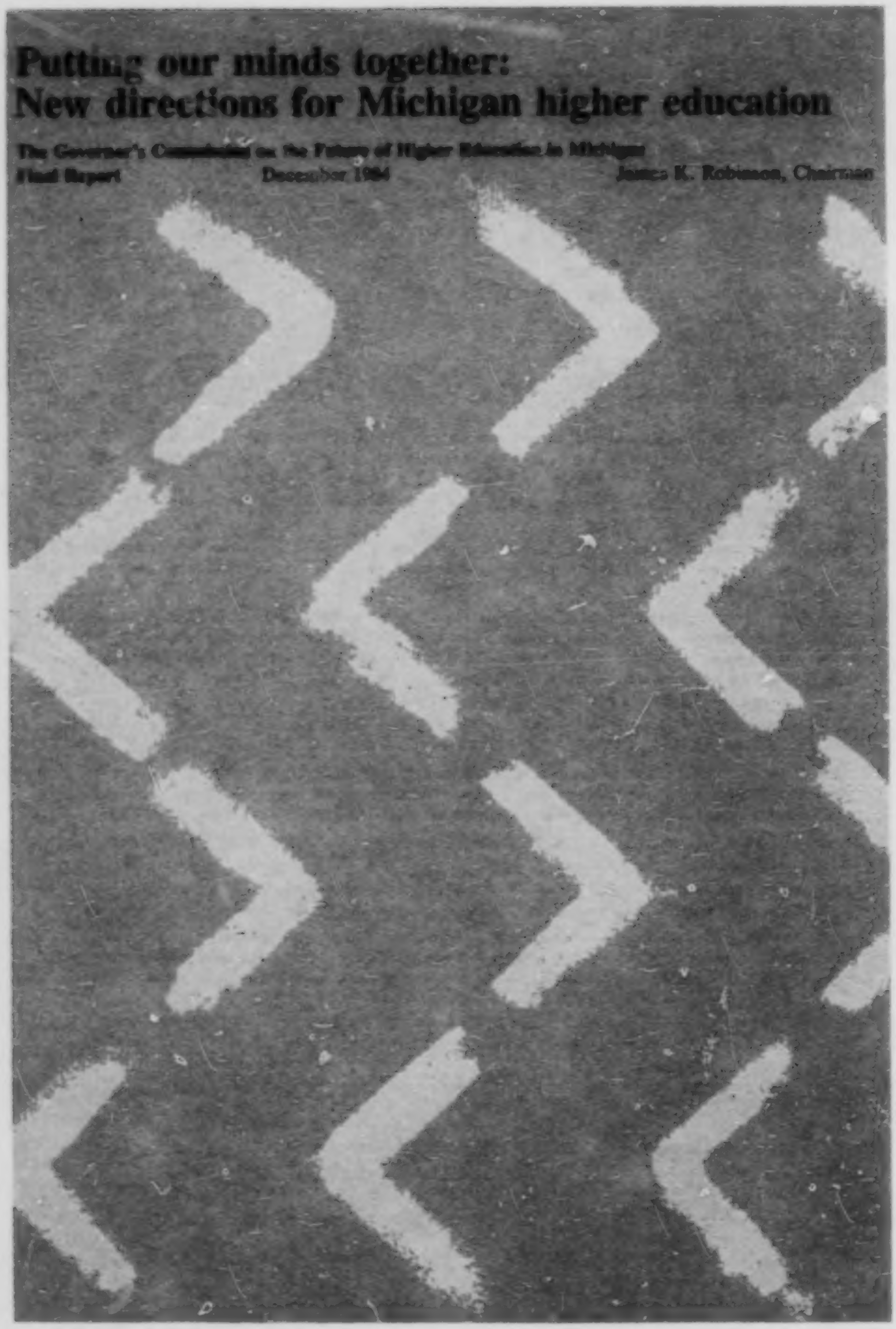
D. UNDERGRADUATE 1982-83 PELL RECIPIENTS AND DOLLARS BY SCHOOL TYPE

	PELL RECIPIENTS			PELL DOLLARS		
School Type & Income Level	Number	U.G. Sector % Total	Undergrad. % Grand Total	Amount	U.G. Sector % Total	% U.G. Grand Total
Public 2-Year	Not Available			Not Available		
$ 0- 5,999						
6,000-11,999						
12,000-17,999						
18,000-23,999						
24,000-29,999						
30,000 & Over						
U.G. Inde.						
U.G. TOTAL	39,284		42%	$27,377,293		32%
Public 4-Year	Not Available			Not Available		
$ 0- 5,999						
6,000-11,999						
12,000-17,999						
18,000-23,999						
24,000-29,999						
30,000 & Over						
U.G. Inde.						
U.G. TOTAL	39,024		42%	$39,419,561		47%
Private	Not Available			Not Available		
$ 0- 5,999						
6,000-11,999						
12,000-17,999						
18,000-23,999						
24,000-29,999						
30,000 & Over						
U.G. Inde.						
U.G. TOTAL	15,239		16%	$17,548,392		21%
Total	Not Available			Not Available		
$ 0- 5,999						
6,000-11,999						
12,000-17,999						
18,000-23,999						
24,000-29,999						
30,000 & Over						
U.G. Inde.						
U.G. GRAND TOTAL	93,547		100%	$84,345,246		100%

E. COMBINED 1982-83 CAMPUS BASED (NDSL, SEOG, AND CWS) AND PELL PROGRAM DATA BY SCHOOL TYPE

	NDSL		SEOG (IY & CY)		CWS		PELL		Campus Based & Pell Combined* Total	
School Type	Number*	Amount	Number*	Amount	Number*	Amount	Number*	Amount	Number*	Amount
Public 2-Yr.	1,590	$ 722,299	4,538	$1,329,845	4,071	$3,675,367	39,284	$27,377,293	49,483	$33,104,804
Row %	3%	2%	9%	4%	8%	11%	80%	83%	100%	100%
Col.%	6%	4%	21%	12%	18%	20%	42%	32%	30%	25%
Public 4-Yr.	19,814	13,775,798	11,976	6,247,143	13,587	11,036,394	39,024	39,419,561	84,401	70,478,896
Row %	24%	19%	14%	9%	16%	16%	46%	56%	100%	100%
Col.%	77%	78%	55%	56%	59%	59%	42%	47%	52%	54%
Private	4,257	3,212,893	5,257	3,492,121	5,243	3,870,092	15,239	17,548,392	29,996	28,123,498
Row %	14%	11%	18%	12%	17%	14%	51%	63%	100%	100%
Col.%	17%	18%	24%	32%	23%	21%	16%	21%	18%	21%
TOTAL	25,661	$17,710,990	21,771	$11,069,109	22,901	$18,581,853	93,547	$84,345,246	163,880	$131,707,198
Row %	16%	13%	13%	9%	14%	14%	57%	64%	100%	100%
Col.%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Student count not unduplicated between aid categories



Putting our minds together: New directions for Michigan higher education

The Governor's Commission on the Future of Higher Education in Michigan
Final Report December 1984 James K. Robinson, Chairman

STATE OF MICHIGAN

JAMES J. BLANCHARD, Governor
COMMISSION ON THE FUTURE OF HIGHER EDUCATION
North Ottawa Building, Box 30026, Lansing, Michigan 48909
517-373-4565

December 13, 1984

The Honorable James J. Blanchard
Governor of Michigan
State Capitol
Lansing, Michigan

Dear Governor Blanchard:

Pursuant to the mandate of Executive Order 1983-11, I am pleased to transmit to you *Putting Our Minds Together: New Directions for Michigan Higher Education*. We bring a message of hope, not despair. Our higher education system is in jeopardy, true; but Michigan's institutions of higher learning are firmly in place, their leaders aware of the changes that must be made to ensure Michigan's pre-eminence in the field of education.

We have carried out the mandate you gave us in September, 1983. We believe this document represents a bold, innovative and creative approach to our problems. We believe, further, that it will be a model for other states to follow.

This final report represents months of probing research and unremitting labor. Each member of this Commission weighed every issue in a balance between individual problems and the needs of the state educational system as a whole. We are deeply grateful to the educators and researchers, the state leaders and policymakers who shared their knowledge with us, and to a talented and hard-working staff.

It is with a sense of pride and optimism that we present this final report. The emphasis throughout is on the vital partnership between our higher education system and our economic well-being. One cannot flourish without the other.

Through your efforts, the state has begun to reinvest in higher education, but even the most efficient system will continue to require funding. Tough choices will have to be made, and the interests of individual institutions coordinated with the best interest of the state as a whole.

We believe that this report is a pragmatic document and worthy of your hopes for this Commission.

This report, however, is only the beginning. The recommendations we have set forth must be implemented to preserve the integrity and balance of a superior higher education system. This report can point the way as you continue your leadership in support of higher education.

I look forward to discussing these final recommendations with you. I pledge my cooperation and that of my fellow commissioners in working with you to make sure that your vision, as exemplified in this report, will be translated into reality for the good of the generations of students to come.

Sincerely,

James K. Robinson

James K. Robinson
Chairman

cc: State Board of Education

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"It is no exaggeration to say that the struggle in which we are engaged may well be won or lost in the classroom."

—Gov. James J. Blanchard

Problem Statement

The Governor's Commission on the Future of Higher Education was created by Governor James J. Blanchard in response to a series of critical problems affecting higher education. Any one of the problems was enough to cause concern; taken together, however, they jeopardized the system that has served Michigan's citizens so well for so many years.

In order to respond to the Governor's charge, the Commission focused on four core questions:

- How can higher education become more **affordable** and **accessible?**
- How can higher education maintain **diversity** and reduce unnecessary **duplication**?
- How can higher education contribute to Michigan's **economic revitalization**?
- How can the **quality** of higher education be enhanced?

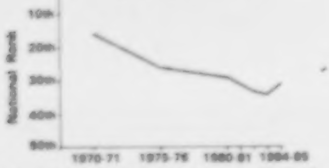
In examining these problem areas, the Commission held monthly public meetings; conducted extensive discussions with experts and consultants; held statewide public hearings; sought advice and data from a broad range of leaders and policymakers throughout the state; held student workshops; visited every four-year institution and many community college campuses; examined information shared by higher education sources across the country; and studied more than 20 comprehensive staff background papers. During the course of its work, the Commission also published a comprehensive discussion of the issues in *Agenda for Discussion: Midyear Progress Report of the Governor's Commission on the Future of Higher Education*.

The Commission also surveyed the views of citizens concerning Michigan colleges and universities by means of an extensive public opinion poll. The polling data reveal a high level of confidence in the system, and a great willingness to support it, coupled with an anxiety that its costs will soon put higher education out of the reach of too many of our students.

Through these activities, the Commission has concluded that although Michigan's system continues to enjoy national respect, it is a great system in jeopardy. There are many issues contributing to this problem:

- One of the main issues is **financial**. From fiscal year 1979 to fiscal year 1983, per capita state support to the four-year colleges and universities dropped from 14th in the nation to 37th in the nation. Although the decline was not as dramatic, community colleges also suffered losses. Due to the severe recession, the State of Michigan was unable to sustain support for colleges, community colleges and universities. Unanticipated midyear Executive Order reductions for several years made orderly planning impossible and forced institutions to make drastic adjustments in operations. The results were maintenance deferrals, equipment purchase cuts, and eroded support for fundamental activities. This occurred when many other states were increasing support for their systems of higher education.

Michigan's National Rank
Per Capita State Appropriations
For Higher Education

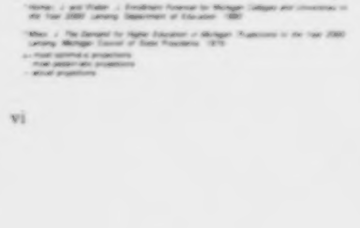


Although Michigan's investment per capita has begun to improve, it is still well below the national average.

"It is the perception of Michigan citizens that fewer than 20 percent can afford the full cost of sending a student to a public college or university without financial aid."

Attitudes and Opinions: Michigan Higher Education, Frank Magid Associates, 1984

Student Enrollment Projections
To the Year 2000



¹Homer, J. and Fisher, J. Enrollment Potential for Michigan Colleges and Universities to the Year 2000. Lansing: Department of Education, 1980.

²Mace, J. The Demand for Higher Education in Michigan: Projections to the Year 2000. Lansing: Michigan Council of State Presidents, 1978.

1—most optimistic projections
2—most pessimistic projections
—actual projections

- **Political dynamics** have also threatened quality by compelling across-the-board reductions regardless of program value, costs or educational missions. At the same time, pressure was brought to approve new buildings, new programs and new schools resulting in further diffusing of state resources.

  To their credit, Michigan's colleges, community colleges and universities have started the systematic process of improving efficiency and redirecting the system. From 1980 to 1984, more than 100 programs were eliminated while 71 new and more relevant programs were offered in their place; some $70 million has been so redirected. This is the best indicator of the creativity and adaptability of our higher education system.

- In an attempt to maintain historical program quality and offerings, Michigan's colleges and universities were forced to **raise tuitions**. Beginning with a fee structure that was comparable to other Great Lakes states' institutions in the 1960s, fees started to rise dramatically throughout the system in the mid seventies. Today, Michigan tuitions are 42 percent higher than the average of the other states. Tuition rates at The University of Michigan, Michigan State and Wayne State are now among the highest in the nation for public universities. Faced with rising tuitions and static student aid programs, Michigan's families are struggling to finance higher education for their children.

- The baby boom that had fueled the system's successful expansion in the 1960s began to wane in the 1980s. In its *Midyear Progress Report*, the Commission estimated that demographic trends alone would reduce enrollments in the higher education system by at least 15 percent by the mid-1990s. Thus, the system faces a future of **declining enrollments**.

- Compounding the economic and demographic problems is the **fundamental change in Michigan's economy** over the last decade. Our economic base, supported by the automobile industry, is slowly but surely shifting. An education system which has contributed to Michigan's economic strengths—mining, agriculture, lumber, automobiles—is now faced with a new challenge: to help reestablish the diversity of Michigan's economy. Further, as Michigan's economy changes, its citizens are demanding greater access to relevant training programs and career choices.

The Commission's main conclusion is clear: public higher education in Michigan is at the crossroads. If nothing is done to address the various problems confronting the system, it is likely to face a future in which mediocrity is coupled with inaccessibility, a totally unacceptable result for Michigan's citizens. If sensible, imaginative and tough measures are taken now, however, the system can be everything it has been in the past and more.

It is important to note that under the leadership of Governor James J. Blanchard, Michigan has started to reinvest in its higher education system. But even with fiscal recovery, the state's future resources will be limited and must be used as efficiently as possible.

Our specific recommendations follow. We believe they represent a tough-minded and far-reaching basis for a policy debate that should build consensus for change—putting our minds together for Michigan's future.

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Investing in People

Introduction

Michigan's system of public higher education historically has ranked among the top in the entire nation. It has been characterized by a mix of high quality, broad access and relatively low tuition. But in recent years a combination of reduced state funding, increased tuition, cuts in state and federal student aid and impending enrollment declines has disturbed the historical balance among these elements. Our objective is to ensure that quality, access and relatively low cost remain hallmarks of Michigan's colleges and universities.

To do so, some understanding of the relationships between these elements is important. To sustain quality without providing the widest possible access is to abandon the touchstone of public higher education. On the other hand, to provide wide access to a higher education system of mediocre quality is to perpetrate a hoax on Michigan's citizens.

Reconciling these two objectives can come only through wise resource allocation. In the short run, the Commission calls for restraint on tuition increases; in the longer term, the Commission urges an increase in the percentage of total educational cost assumed by the state. The Commission also recommends a substantial increase in student aid.

If the basic policy recommendations are implemented, the Commission foresees a revitalized system of higher education in Michigan:

- It will be a system with enough student aid that both poor and middle-class students can compete fairly on the basis of ability for college admission.
- It will be a system with stable or falling tuitions and a predictable level of state support, thereby reducing the financial burden for students.
- It will be a system where Michigan's young people are encouraged to push their potential to the fullest and to create the best possible lives for themselves.
- It will be a system reaching out to diverse groups of students, filling classrooms and laboratories and broadening educational opportunity and access.
- It will be a system taking a lead role in strengthening teacher education, restoring the prestige of the education profession and its ability to teach teachers and students of tomorrow.
- It will be a system geared to attracting and retaining top-notch faculty and graduate students.

Quality is a tradition in Michigan education, as is low cost to students and their families. Michigan has always been able to assure both and must continue to do so.

Stabilizing Tuition and Expanding Aid to Students

RECOMMENDATION: THAT IMMEDIATE MEASURES BE TAKEN TO STABILIZE TUITION COSTS; THAT STUDENT FINANCIAL AID BE EXPANDED TO ASSURE ASSISTANCE IS AVAILABLE TO THOSE IN NEED OF IT; AND THAT COST NOT REMAIN A BARRIER TO EDUCATIONAL OPPORTUNITY.

In the 1984-85 school year, public college tuition in Michigan will cost more than the national average—from 20 to 42 percent more—depending on the type of institution. This is in spite of action taken by the Governor and State Legislature to restore education funding, coupled with a related move by all state colleges and universities to freeze tuition. Those actions were timely and necessary. They have halted temporarily a dangerous and seemingly uncontrollable rise in student costs in recent years. While the Commission recognizes that a dramatic reduction in tuition costs is not possible, it is crucial that tuition costs be stabilized at near present levels.

Therefore, **the Commission recommends that the Governor, the State Legislature and the governing boards at all Michigan public two- and four-year colleges and universities be charged with keeping future tuition increases under the inflation rate as measured by the Consumer Price Index (CPI).**

Stabilized tuition costs must be supplemented by a greatly expanded offering of financial aid programs. Data from Michigan colleges and universities indicate that nearly 90,000 student aid applicants cannot completely close the gap between college costs and available financing. The unmet need is great, but it can be reduced by programs of need-based scholarships, work study and grants for older students. **The Commission recommends that financial aid offerings be expanded in the following ways:**

- **Widen eligibility for Michigan's Competitive Scholarship Program awards by:**

  Returning the American College Testing (ACT) qualifying score to the traditional exam cutoff of 80 points; and

  Raising the competitive scholarship maximum award to $1,500 from the present level of $940.

  These two steps, requiring an increase in funding of approximately $15.5 million per year, will restore scholarship funding cut by recent budget constraints and broaden educational opportunity.

The Commission recommends, in addition, that three new undergraduate financial aid programs be authorized and funded:

- **A need-based Undergraduate Work Study Program to augment a currently inadequate federal College Work Study Program.** This will require an annual appropriation of $5 million to offer students at degree-granting colleges and universities greater opportunities through on-campus jobs. This program should be administered under the auspices of the Michigan Higher Education Assistance Authority;
- **A special scholarship program to attract high-achieving upper division undergraduates into teacher education programs.** The Commission recommends an annual appropriation of $1 million for this purpose. In light of the declining academic average of students majoring in education and a predicted increase in K-12 enrollments later in this decade, the need for recruitment incentives is great. A plan should be devised jointly by the State Superintendent of Public Instruction, the Presidents Council of State Colleges and Universities and its Council of Deans to carry out this program. Such a plan should be coordinated with new federal legislation which addresses the same concern;

- **A need-based General Grant Program (GGP) for older undergraduate students.** This program, which the Commission recommends be funded at $8 million in the first year, would focus on short-term vocational and technical job training and retraining at Michigan's degree-granting institutions, primarily for the soaring numbers of adult workers dislocated by the loss of manufacturing jobs. General grants would be available to both parttime and fulltime students. This program will be particularly supportive of the job training mandate given to the community college sector elsewhere in this report. Like the Work Study Program, the General Grant Program would be administered under the auspices of the Michigan Higher Education Assistance Authority.

There are three additional areas of student aid where policy modifications are recommended:

- **Non-need-based aid to private school students.** The existence of private colleges has historically assured Michigan citizens a diverse set of educational choices. However, all colleges in Michigan face the need to adjust to the implications of declining enrollments. As enrollments continue their downward trend, the need for all private students to receive non-need-based grants will also decline. Thus, **the Commission recommends that the growth in total appropriations for non-need state grants to private students and institutions not exceed the Consumer Price Index in any fiscal year.** In making this recommendation the Commission believes that needy students in private colleges will benefit from the expanded need-based financial aid programs proposed above, as will their counterparts in public institutions.
- **Student financial aid outreach.** In order to simplify the process of applying and qualifying for aid programs, it is necessary that all the information be more efficiently packaged and made easily available to teachers, counselors, and students. **The Commission, therefore, recommends that appropriate financial means (estimated to be $500,000) be allocated each year to the Department of Education to permit expansion of outreach and awareness efforts.**
- **In-district community college programming.** The issue of equal access to community colleges needs to be addressed. Currently, residents of counties outside of community college districts are charged an out-of-district rate to attend classes in a neighboring county. **The Commission recommends that the State Board of Education examine ways to expand in-district programming, and make recommendations to the Governor and the State Legislature.**

"A significant number of Michiganders perceive that students trying to obtain financial aid in order to attend public colleges or universities in Michigan have at least some difficulty in doing so."

—Attitudes and Opinions: Michigan Higher Education, Frank Magid Associates, 1984

Strengthening Commitments to Opportunity

RECOMMENDATION: THAT WOMEN, MINORITIES AND HANDICAPPERS BE ASSURED EQUAL ACCESS TO HIGHER EDUCATION FACILITIES AND PROGRAMS, WHETHER AS STUDENTS, FACULTY OR ADMINISTRATION, BY MEANS OF SPECIAL EFFORTS TO REMOVE BARRIERS TO THEIR PARTICIPATION.

While enrollment data show that access to higher education has broadened over the past two decades, there remain areas in which further progress is necessary to ensure full and complete educational opportunity.

In Michigan, minority and handicapper students, for example, are more typically to be found at public two-year colleges than in the state's four-year institutions. While the Commission recognizes efforts are underway to recruit minority and handicapper students from two-year colleges, **we call upon the four-year colleges to intensify their efforts to encourage community college students to transfer upon completion of associate degrees.**

Women, whose college enrollment has increased dramatically since 1970, tend to enroll in the traditionally female fields of education, arts and languages, health, home economics and library science, opting much less frequently for engineering, mathematics, and physical sciences. Black undergraduate enrollment, which rose in the early 1970s, is now leveling off. Very small numbers of black students enroll in graduate programs; even fewer complete graduate study and receive degrees. Hispanic enrollment and graduation rates show similar trends. Inadequate high school preparation, lack of support services, unfamiliar environment and lack of minority and handicapper faculty members are major contributing factors to the low retention rate of minorities and handicappers.

To increase the number of minority and handicapper graduates from Michigan's public four-year colleges and universities, **the Commission recommends the development of an incentive program for public institutions, rewarding them financially in proportion to their success in recruiting and graduating minorities and handicappers.**

To assure opportunities for women, minorities and handicappers, **the Commission supports the statutory requirement that all state-supported educational institutions submit affirmative action plans with specific timetables and implementation processes as a condition of public funding.** This information should be incorporated into the database (recommended later in this report) which will be shared with the Governor and the Legislature.

In addition, two- and four-year colleges and universities must expand attention to the special needs of program and environmental accessibility for handicappers. **Short- and long-term goals must be established to eliminate handicapper barriers to full participation.** This should occur jointly between institutional and state policymakers during the annual appropriations process.

In order to open participation of women, minorities and handicappers in faculty, administrative and professional positions, the Commission recommends:

- **Development of a statewide minority, women and handicapper vita bank in the Department of Education to assist in the recruitment of these under-represented groups.** This system would contain the resumés of candidates who wish to be considered for faculty and administrative positions at any of the state's educational institutions. Institutions would be required to utilize the vita bank as one source in fulfilling their applicant pool for a specific position. Successful models from other states are available for implementing this program.
- **Creation of a visiting scholars program for women, minorities and handicappers to promote equality and educational diversity within the institutions.** This program would assist in further advancing the goal of expanded access for these professionals along with providing role models for under-represented students. Private funding should be sought to make this program a success.
- **Creation of administrative internships for minorities, women and handicappers by the universities to further bolster administration ranks.** This program would increase these under-represented groups' visibility and broaden their professional contacts with the hope that institutions will then hire from these experienced ranks. An incentive program should be established in cooperation with the private sector.
- Presently, women, minority and handicapper faculty members and administrators earn considerably less than their white male colleagues for equal work. To assure equal pay for women, minority and handicapper faculty and administration, **an ongoing process should be developed that assures fair and equitable compensation with criteria that are carefully constructed and a system of regular review of salaries as a part of the appropriations process.** This information should be incorporated into the database.

As a comprehensive recommendation, the Commission urges the State Superintendent of Public Instruction, along with private organizations such as New Detroit, the NAACP, the Presidents Council and other appropriate organizations to take immediate action to ensure the implementation of the *Joint Task Force Report on Minorities, Females, and Handicappers in Michigan's Colleges and Universities.*

The Commission believes that these efforts to increase opportunities for minorities, women and handicappers combined with the expansion of financial aid and the improvement of K-12 preparation are critical to strengthening opportunities for minorities, women and handicappers within the higher education system.

Improving K-12 Education

RECOMMENDATION: THAT THE RECOMMENDED STATE BOARD OF EDUCATION HIGH SCHOOL GRADUATION REQUIREMENTS BE IMMEDIATELY IMPLEMENTED BY ALL MICHIGAN SCHOOL DISTRICTS; THAT THE FACTORS AND BARRIERS WHICH DETER MINORITIES AND HANDICAPPERS FROM PARTICIPATION IN HIGHER EDUCATION, AND WOMEN STUDENTS FROM TRADITIONALLY MALE-DOMINATED FIELDS OF STUDY, BE ADDRESSED BY STRONGER AND EARLIER COUNSELING; AND THAT HIGHER EDUCATION LEADERS WORK WITH THE K-12 SYSTEM TO ACCOMPLISH THESE GOALS.

The K-12 sector serves as a feeder system for postsecondary institutions. Seventy-two percent of Michigan high school students earn a diploma from high school. Data for 1982 show that 53 percent of these K-12 graduates pursued postsecondary study and that 90.5 percent of their advanced work was carried out, parttime or fulltime, at a Michigan college or university.

These numbers are substantial, but K-12's role needs further strengthening if all students are to have an opportunity for future success. In his State of the State message in January, 1984, Governor James J. Blanchard said: "If we expect more from our schools—and provide the proper environment—we will get it."

The Commission concurs. If K-12 does not demand more of students, higher education will continue to be inaccessible for many students. If K-12 does not nourish the talents of all our children from their earliest school days, then higher education cannot open its doors and its possibilities on a broadly representative basis. Choices made in the early school years affect not only the higher education system in Michigan but the larger society. The failure of large numbers of citizens to achieve upward mobility, financial independence, social integration, or to practice good citizenship has social and cost ramifications for all.

K-12 schools must start much earlier in the educational process to attend to the factors that determine whether children continue in school or drop out, and how they make career choices. Strong counseling, and a broader range of support services, would substantially affect the barriers which discourage children from completing high school, or from thinking of themselves as capable of succeeding in college. In addition, immediate steps must be taken to assure that grade schools and high schools are safe environments for learning.

To these ends, the Commission recommends that the State Superintendent be supported in working with local coalitions of business and community leaders, parents and educators—Education Excellence Coalitions—to assist local board members in implementing proposals contained in the *Blueprint for Action*.

"Secondary school curricula have been homogenized, diluted, and diffused to the point that they no longer have a central purpose."

—A Nation at Risk, 1983

With declining and changing enrollment trends, nontraditional students such as parttime students, older adults and returning students will increasingly fill the classroom places formerly taken by the traditional 18-to-22-year-old population.

The Commission feels strongly that both two- and four-year public institutions must seize the opportunity to bring large numbers of nontraditional learners, for the first time, into the ranks of the college-educated. This is an effort that must be accomplished through more effective communication between higher education and the K-12 system. The State Superintendent and the State Board of Education are in an excellent position to see that these efforts occur.

Reforming Teacher Education

RECOMMENDATION: THAT TEACHER EDUCATION PROGRAMS BE IMPROVED THROUGH CURRICULAR CHANGES AND TIGHTER ADMISSION CRITERIA; AND THAT Ph.D. LEVEL TEACHER EDUCATION AND RESEARCH BE THE PRIMARY RESPONSIBILITY OF DESIGNATED RESEARCH UNIVERSITIES.

Not only students, but teachers must receive better preparation to meet the demands of a fast-changing world. Colleges teach teachers, who in turn teach the elementary, middle and high school students who will attend the colleges. Strengthening this link in the chain of training will revitalize the entire educational system, and restore popular respect and support to the teaching profession.

While the supply of teachers is declining as teachers leave the classroom in large numbers and fewer college students choose teaching careers, an increased demand for elementary school teachers will begin as early as 1985, fueled by a modest increase in the birthrate which began in the early 1980s. Further there appears to be a shortage of trained secondary teachers in the critical areas of math, science and foreign languages. **To assure a supply of qualified teachers for the remainder of this decade, the Commission recommends that colleges of education:**

- **START RECRUITING EARLY**—Recruiting should start in high school and middle school years, targeted at high achievers. Special incentives could also be offered to talented upper-division college students to enter teaching specialties of short supply. Such incentives could include scholarships, as previously recommended in this report, and loan forgiveness programs. Expert counseling, based on occupational supply and demand data, could also alert students to subject areas of opportunity and steer them away from crowded or low-demand teaching areas.
- **INTENSIFY THE TEACHER TRAINING PROGRAM**—Teachers in training should spend their first four years in college acquiring a broad liberal education and concentrating on their major area. They should spend a fifth year in supervised practice teaching. At the end of this fifth clinical year students should have to demonstrate teaching competence in order to be certified. The proposed reforms are modeled on those outlined by the State Board of Education's *Better Education for Michigan Citizens: A Blueprint for Action*. In support of these recommendations, the Commission also urges the Board, in its capacity as regulator of the state's colleges of education, to accelerate its work on revision of the certification code.

"It is foolhardy to expect students to achieve their best if their teachers are not themselves among the best and brightest. Yet, national and Michigan studies show the most promising young people seldom plan to enter teaching."

—Better Education for Michigan Citizens: Blueprint for Action, 1984

"Persons preparing to teach should be required to meet high educational standards, to demonstrate an aptitude for teaching, and to demonstrate competence in an academic discipline. Colleges and universities offering teacher preparation programs should be judged by how well their graduates meet these criteria."

—A Nation at Risk, 1983

- **TARGET TEACHING RESEARCH**—Two of Michigan's research institutions are conferring most of the Ph.D.s in education. The Commission recommends designation of these schools as the state's centers for teaching research. As the primary sites for advanced doctoral and scholarly work, these institutions should share their research and should assist in coordinating the work of the other colleges and universities in undergraduate teaching, masters education and professional development through the Council of Deans. Further, the State Superintendent should be supported in seeking stronger standards of program review for all teacher education programs.
- **ENHANCE CONTINUING TEACHER EDUCATION**—Teaching quality is enhanced by life-long learning opportunities. Unless teachers can continue the professional development process throughout their careers, they face stagnation and obsolescence. Like other professionals, teachers need time to renew themselves by completing substantive, research-based courses in pedagogy and subject matter. The designated research universities discussed above should establish institutes specializing in research on teaching and learning and work closely with the general state universities (as defined in the "Roles and Missions" section of this report) to provide high-quality professional development. Work should also be done to coordinate state policies with the new federal legislation authorizing funding for teacher leave time for retraining and instructional development.

Adopting Minimum Admission Standards

RECOMMENDATION: THAT ALL THE STATE'S FOUR-YEAR COLLEGES AND UNIVERSITIES ADOPT MINIMUM ADMISSION STANDARDS THAT ARE COMPATIBLE WITH THE HIGH SCHOOL GRADUATION REQUIREMENTS RECOMMENDED BY THE STATE BOARD OF EDUCATION; AND THAT LOCAL BOARDS OF EDUCATION IMMEDIATELY IMPLEMENT THESE GRADUATION REQUIREMENTS.

The State Board of Education has recommended, and the Commission concurs, that all high school students complete a specific set of core requirements in order to graduate; and that students planning postsecondary study satisfy additional course requirements. The Presidents Council of State Colleges and Universities recently summarized the courses and competencies tied to college success which are supportive of this recommendation.

The State Board's graduation proposal and the Presidents Council competencies, taken together, provide essential guidance for secondary school students, teachers and counselors, as well as community college students intending to go on to a four-year program. A synthesis of both guidelines is presented below.

- ***English and Communication Skills***, including reading, grammar, literature, writing, speaking, listening and critical thinking. Four years in high school recommended.
- ***Mathematics***, including algebra, geometry and pre-calculus. Three to four years in high school recommended.
- ***Biological and Physical Sciences***. Three years in high school recommended.
- ***Social Science and History***. Three years in high school recommended.
- ***Foreign Language and Fine Arts***. Two years in high school or before college graduation recommended.
- ***Computer Literacy***, hands-on experience. One year in high school recommended.

The K-12 curriculum outlined by the State Board embodies the basic mental skills judged essential to success in the contemporary workplace or classroom. It anticipates more adequately the needs of high school students than the present statutory minimum of one civics course.

Enactment of stricter high school graduation requirements is, of course, the responsibility of local boards of education. However, adoption by the state's four-year schools of minimum admission standards, tied to high school graduation requirements, would serve to galvanize community-wide awareness of the need for immediate action. In this regard, **the formation of Education Excellence Coalitions recommended previously in this report would undoubtedly be helpful in generating broad-based support for such reforms.** To ensure efficient dovetailing of high school course work and college competencies, the minimum college admission standards should be stressed earlier in a student's career—in middle school as well as in high school.

Finally, to the extent that Michigan high school graduates are not equipped with the minimum competencies needed for college success, **community colleges should have primary responsibility for remedial course work.** Over the long term, however, the Commission assumes that enactment of strict K-12 graduation standards will greatly reduce the need for remediation.

"The people of the United States need to know that individuals in our society who do not possess the levels of skill, literacy, and training essential to this new era will be effectively disenfranchised, not simply from the material rewards that accompany competent performance, but also from the chance to participate fully in our national life."

—A Nation at Risk, 1983

Defining the Instructional Core

RECOMMENDATION: THAT A MINIMUM BASIC INSTRUCTIONAL CORE BE ADOPTED FOR UNDERGRADUATES AT ALL THE STATE'S COLLEGES AND UNIVERSITIES; AND THAT COMMUNITY COLLEGE STUDENTS SEEKING AN ASSOCIATE DEGREE ALSO COMPLETE A CORE OF COURSES.

A primary expectation of higher education—one endorsed by the Commission—involves the preparation of individuals to do more than just apply technical skills in the workplace. In an attempt to instill competencies, as well as expose individuals to our society's intellectual traditions, most bachelor and associate degree programs in Michigan involve a mixture of coursework in the arts, humanities, basic skills and an area of professional specialization.

The competition between professional training requirements and liberal arts coursework for the finite credit hours available in each student's curriculum has been intense. As students emphasize career orientations and downplay the humanities, the ability to achieve a liberal arts education is greatly weakened. In light of the need for balance, faculty, employers and citizens are reacting to the prospect of narrowly-educated graduates by calling for a curricular structure capable of instilling educational breadth, a depth of values and flexibility for students. The core curriculum—a general education concept where a central core of courses is pre-selected for all students—is receiving renewed attention. Such activities are already occurring at several institutions and the Commission supports these efforts. Colleges and universities can and must resist the pressure to increase career-oriented requirements.

Educators can be very effectively assisted by employers who are stressing a well-rounded education as one of the qualifications for employment. The future workplace will demand truly mobile, flexible and adaptable mental capacities. Students equipped with problem-solving skills fare much better in a fast-changing work environment than those narrowly trained in a specialty.

Thus, the Commission recommends the following as essential minimum outcomes of mandatory instructional core requirements at all of Michigan's public colleges, community colleges and universities:

- Fluency in use of the English language, including reading, writing, speaking and listening, as well as comprehension of a foreign language.
- Understanding of the history of civilization, with an emphasis on the Western world.
- Knowledge of man, the biological world, the physical sciences and scientific reasoning.
- Awareness of the nature of a free society, with an emphasis on ethics and the responsibilities of citizenship.
- Exposure to the arts and humanities.
- Facility in mathematics and computer literacy.
- Skill in critical thinking and problem solving.

The Commission believes that achievement and competence can be assured by successful completion of core and major courses, rigorous grading practices and increased use of essay examinations.

Finally, the Commission recognizes, as was acknowledged in the recent *Report of the Study Group on the Conditions of Excellence in American Higher Education,* **that it may be necessary to extend the length of undergraduate education unless national and state bodies refrain from increasing the number of non-liberal arts credit hours required for accreditation in many professional disciplines.**

Maintaining Strong Graduate Education

RECOMMENDATION: THAT STATE POLICY RECOGNIZE THE NEED FOR QUALITY GRADUATE EDUCATION THROUGH STRONG INSTRUCTION AND ADEQUATE FACILITIES, AND THAT ADEQUATE FUNDING BE PROVIDED FOR FINANCIAL AID TO GRADUATE STUDENTS IN HIGH-NEED FIELDS.

In the days when Michigan was one of the few states supporting a world-class public research and teaching structure, attracting the finest graduate students was relatively uncomplicated. Now, however, every state in the union is a contender and the competition for graduate students is intense. Increasingly, it is necessary to offer a good financial package, a challenging research opportunity, and attractive fellowships in order to bring to Michigan those capable of break-through research and innovation.

An informal survey of 12 department chairpersons in three Michigan research institutions highlighted this problem. Talented graduate students apply to institutions having strong faculty, good equipment and excellent reputations. In addition, it was stressed, recruitment success hinges on student costs and the terms of financial aid.

The ability of the Michigan's institutions to meet this competition is limited. In contrast to the full tuition waivers offered by many competing schools, Michigan's research institutions have only been able to reduce out-of-state tuition to in-state levels. Multiple-year commitments are offered by many competing schools, while Michigan institutions reported problems offering support such as assistantships for more than one year at a time. Finally, in the physical sciences, a lack of research fellowships means that top students cannot be lured on the basis that they will be relieved from teaching responsibilities.

The Commission has detailed a complete strategy for maintaining and enhancing Michigan's research leadership in a subsequent section of this report. Included are **state-funded graduate fellowships, endowed faculty chairs, and enhanced research support.**

Further, the Commission urges that full attention be given to the nonfinancial aspects of a strong graduate program, including affirmative action to make graduate school opportunities available to all qualified individuals, and assuring that graduate students seeking faculty status are skilled in teaching as well as in their area of scholarly expertise.

Doctoral students are the research leaders of tomorrow. Outstanding graduate students invest their energies and knowledge in institutions boasting strong faculty, sophisticated research equipment and up-to-date library resources. Fresh graduate talent should be treated as a serious and ongoing priority. Assuring the necessary resources is essential to that commitment.

"The health of the graduate education and research enterprise is one of the most significant issues this society faces."

—Signs of Trouble and Erosion: A Report on Graduate Education in America, National Commission on Student Financial Assistance, 1983

Attracting, Retaining and Motivating Faculty

RECOMMENDATION: THAT THE STATE ASSIST COLLEGES AND UNIVERSITIES IN RECRUITING AND RETAINING FACULTY; IN OFFERING CAREER OR EARLY RETIREMENT OPTIONS TO FACULTY; AND THAT THE STATE CONTINUE ITS COMMITMENT TO STABLE FUNDING TO ASSURE RESEARCH AND ACADEMIC EXCELLENCE.

Michigan's institutions are short of faculty in many technical and scientific disciplines, and typically oversupplied with faculty in nonscientific areas. At the time colleges and universities most need the flexibility to shift faculty resources quickly to new areas of demand, they are forced to cope with the pressures of enrollment decline, program reductions and fluctuating levels of state support.

The Commission views this combination of circumstances as particularly threatening to the state's academic future. **The Commission recommends the following programs to stem the faculty exodus from Michigan that has already begun, and to enable institutions once again to attract, retain and motivate faculty by offering new tenure possibilities, a strong research environment, and opportunities for career growth:**

- **EXPAND EARLY RETIREMENT**—State funds should be made available to colleges and universities to augment the benefit packages offered to tenured faculty interested in early retirement. As much as $2 million may be required to be distributed among state institutions on a pro rata basis according to numbers of faculty. Such a program would assist institutions in making tenure track positions in both the liberal arts and in technical fields available. Young faculty and doctoral students would be attracted, once again, to a Michigan system offering tenure possibilities and opportunities for professional growth.
- **PROVIDE RETRAINING OPTIONS**—Institutional leaders should rely on alternatives to faculty layoffs where possible. The waiver of tuition by any Michigan public college or university for tenured faculty seeking to study higher-demand disciplines should be seriously considered. Faculty exchanges between institutions could also offer possibilities when programs are terminated. When retraining or transfer is not feasible, the Commission encourages on-campus planning programs for faculty seeking career changes.
- **DEVELOP FACULTY-BUSINESS INTERNSHIPS**—Cross-fertilization between academia and business should be fostered by a program of faculty internships with business, jointly supported by business and academia. Higher education administrative internships modeled after the successful American Council on Education Training Fellowships should also be offered. In both cases, minority, female and handicapper faculty should be given special consideration when selecting interns. Colleges and universities are also encouraged to invite business and government leaders to undertake parttime teaching responsibilities on their campuses.

"Faculty are the core of the academic workforce, and their status, morale, collegiality and commitment to their institutions are critical to student learning."

Involvement in Learning: Realizing the Potential of American Higher Education, National Institute of Education, 1984

- **STABILIZE STATE INSTRUCTIONAL AND RESEARCH SUPPORT**—Faculty should be assured the tools and facilities to pursue their areas of inquiry. The state should upgrade the quality of the institutional and research environment by reaffirming its commitment to state higher education funding, upgrading of instructional and major research equipment, creation of Centers of Scholarly Excellence as recommended later in the report, and maintenance and renovation of existing facilities.
- **EMPHASIZE TEACHING IN TENURE EVALUATIONS**—Tenure evaluations should allow talented instructors to emphasize classroom activities above published work. Mini-sabbaticals for course preparation should also be instituted as a means to make college teaching more effective.
- **CREATE STATE-FUNDED ENDOWED FACULTY POSITIONS** — As a result of fluctuating state appropirations, Michigan is losing its ability to attract and retain key faculty. An exodus of research faculty is becoming evident as competing institutions and private industry succeed in luring faculty in areas of scarce talent away from Michigan. During exit interviews, top faculty are noting the attractiveness of resources offered by states where they are relocating. To attract outstanding researchers and prevent a migration of key faculty from Michigan, the Commission recommends a program of endowed chairs be established, as described later in this report.

"Like top talents in sports and entertainment, stars in the academic world go where the action is, where the money is right and where their abilities are nurtured to new heights."

—The Detroit News, 1984

Updating Instructional Equipment and Resources

RECOMMENDATION: THAT AN ADDITIONAL $12 MILLION BE APPROPRIATED ANNUALLY FOR FIVE YEARS TO RESTORE AND UPGRADE INSTRUCTIONAL EQUIPMENT.

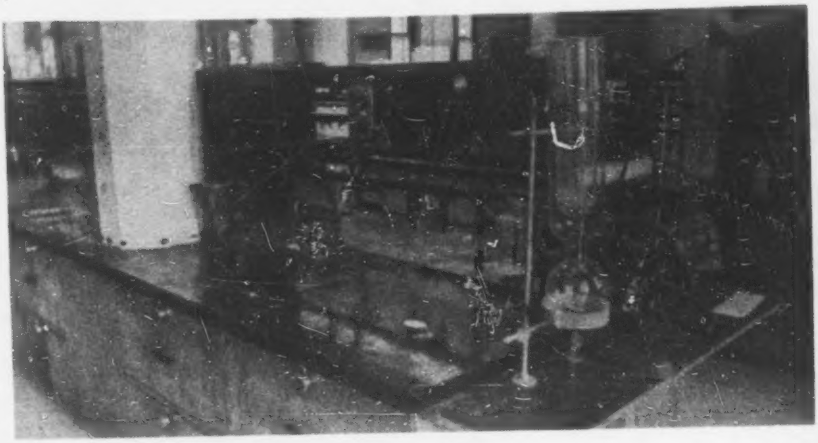
Sophisticated instructional equipment is now used in nearly all curricula at the community college, college and university levels. During the late 1970s and early 1980s, reductions in state appropriations resulted in reduced equipment expenditures and a backlog of equipment needs that remains today.

Complex scientific equipment is no longer used only to conduct basic research; it is now frequently used in the classroom. Expensive scientific equipment is used to teach, for example, vocational technology and related industrial courses in community colleges. In chemistry, at the college and university level, analytical instrumentation needs have expanded greatly. In the social sciences, there is an increasing reliance on computers to manipulate vast databases. Similarly, the information explosion has strained library resources.

While the need for up-to-date equipment has increased, expenditures for nonsponsored, research-related equipment declined significantly during the recent fiscal difficulties.

Currently, it is estimated that the four-year public colleges spend $24 million annually on equipment. Commensurate amounts are being spent by community colleges. These purchases reflect the continuing need for computers, laboratory equipment, expensive instruments in the performing arts and communications, vocational technology and the many needs for working with students in a diverse system.

Critical needs exist for more sophisticated and updated equipment in all areas of instruction. The Michigan Society of Professional Engineers has estimated, for instance, that the laboratory equipment needs for the engineering schools alone could exceed $70 million. In another example, one of the state universities has documented a critical need for the replacement of industrial arts equipment that is substantially out of date. These needs are being underscored as, increasingly, employers are highlighting the need for students to be trained on up-to-date equipment.



In order to address the backlog of equipment needs that the four-year colleges and universities face, **the Commission recommends that a special allocation of $12 million be made annually for five years to improve their equipment-purchasing power by 50 percent.** This fund should be allocated according to a formula based on each institution's current depreciated equipment inventory as reported to the state. **For community colleges, the Commission recommends that the equipment allocation newly placed in the formula for 1984-85 be sustained as a comparable recognition of the needs in that sector.**

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Focusing on Priorities

Introduction

A relatively large and rich state, Michigan plainly possesses adequate resources to sustain a superior system of higher education. To do so through the end of the century, however, will require overcoming three difficult challenges:

- **OVERALL FUNDING LIMITATIONS**—It is no secret that Michigan's state income fluctuates with the business cycle. Although Governor Blanchard's recent budgets have provided important gains in appropriations for higher education, overall funding is still insufficient in critical areas because Michigan's revenue decreased in the recent recession. Further, higher education faces increased competition from other sectors of public responsibility. Balancing the claims of social services, transportation and other infrastructure needs, the environment and public protection from crime with those of education requires wise and farsighted allocation decisions.
- **UNFOCUSED RESOURCE ALLOCATIONS**—Resources available to higher education have not been allocated as well as they might. In some cases, cuts or increases have been imposed as a flat percent across the board. The result has been an allocation system that penalizes quality and sustains mediocrity. In some cases, decisions have been driven by parochial politics, both legislative and academic. The results have led to unnecessary duplication in programs and damaging dilution in the quality for existing programs.
- **ENROLLMENT DECREASES**—Unlike the decade of the 1960s when our higher education system expanded to meet the needs of the baby boom, the decade of the 1980s will see a decline in college-age population. The Commission has estimated that enrollment decline could range as high as 15 percent by the mid-1990s. This process is already under way; colleges and universities all across the state have reported enrollment levels down from those of a few years ago.

A main objective of this report is to meet these challenges by setting out ways to better focus increasingly scarce resources within our higher education system. The Commission's recommendations in this regard are far-reaching. The comprehensive institutional role and mission statements are, we believe, a first for Michigan. A policy-driven funding formula could reduce dilution of scarce resources; a consistent expense-recording system will provide information to determine accountability. Taken together, this set of recommendations makes up the "strategic process" which the Commission called for in its interim report. Without resorting to superficially appealing devices such as a super board, the Commission believes that it has provided the Governor and the Legislature with a set of flexible but realistic tools with which to shape higher education priorities in Michigan.

Identifying Institutional Roles and Missions

RECOMMENDATION: THAT THE OVERALL MISSION OF MICHIGAN'S HIGHER EDUCATION SYSTEM AND THE ROLE OF EACH INSTITUTION BE CAREFULLY AND EXPLICITLY DEFINED; AND THAT FUTURE STATE DECISIONS TO FUND OR NOT FUND EDUCATIONAL PROGRAMS BE BASED ON THESE ROLE AND MISSION STATEMENTS.

Our higher education system must adapt to a changed world. Reduced state revenues and federal funding coupled with increased claims from other sectors for state support mean that educational resources will remain constrained. Demographic changes mean that Michigan's college enrollment will be reduced for years to come. Further, the market demand for educational programs will undergo shifts into the 21st century.

The system has already made progress in reordering internal priorities. Despite these efforts, we must face the fact that no longer can every higher education institution undertake to play a multiplicity of roles. For every institution to serve all needs is to ensure that no institution plays well the particular role for which it is best suited.

Responding to the need for more concise institutional roles and missions, the Commission kept several points in mind. First, the phrase "differing roles" does not imply better or worse, or more important or less important roles. Within the overall context of Michigan's higher education system, for example, the role of community colleges is as distinctive—and as important to be carried out with excellence—as the role of universities.

Second, the Commission recognizes that there exist variations and exceptions from any theoretical system. Nevertheless, the Commission was impressed at how smoothly various individual institutions fitted into distinctive roles. The basis for the classification rests on observed facts, not on artificial theory.

Finally, the Commission recognizes the difficulty individual institutions will have in defining roles from a statewide perspective, or making the decision to cut or shift programs and reduce staffing levels. The effort will require the highest degree of leadership and cooperation of which individuals and institutions are capable. Further, it will require the active participation of state leaders and the public if such a bold strategy is to be accomplished.

Given these considerations, **the Commission recommends a classification system be adopted by state policymakers as the framework for future funding decisions. This classification assigns specific program roles, degree levels and regional access responsibilities to the public two-year and four-year institutions:**

"The institutions that define their mission most clearly, target their students best, and build on their strengths are those most likely to survive."

Detroit Free Press, 1984

- **Public Community Colleges**

  Roles: Provide broadly distributed core curriculum and locally accessible general and technical undergraduate instruction for the first two years past high school. Primarily responsible for providing job training, technical instruction and employee upgrading. Provide remedial instruction for adults lacking college entrance skills, gateway access to four-year institutions, and continuing education opportunities for adults.

  Degrees: Certificates and Associate degrees.

  Student body: Local; predominantly nonresidential.

  Institutions: All community and junior colleges.

- **Technical Colleges**

  Roles: Provide high-market demand, mainly technical, two- and four-year undergraduate instruction.

  Degrees: Primarily baccalaureate; some associate; few masters.

  Student body: Regional; both residential and non-residential.

  Institutions: Ferris State College, Lake Superior State College.

- **Regional State Colleges**

  Roles: Provide broadly based and regionally accessible general four-year instruction. Provide limited, highly focused, high-market demand nontechnical business and professional graduate training; provide regional public service and economic development assistance.

  Degrees: Baccalaureate; limited nontechnical business and professional masters.

  Student body: Regional; predominantly nonresidential.

  Institutions: Grand Valley State College, Oakland University, Saginaw Valley State College, University of Michigan—Dearborn, University of Michigan—Flint.

- **General State Universities**

  Roles: Provide comprehensive four-year undergraduate instruction. Provide broadly-based business, professional and educational masters instruction. Provide extension programs through the masters degree in respective areas of the state. Provide technology transfer and economic development assistance to business and industry.

"One can say with certainty, however, that the competition among colleges will get much stiffer, and that a poorly prepared and poorly directed institution will be highly vulnerable to institutional decline, even closure."

David W. Breneman, The Coming Enrollment Crisis:
What Every Trustee Must Know, 1982

Degrees: Baccalaureate, masters.

Student body: Regional and statewide; predominantly residential.

Institutions: Central Michigan University, Eastern Michigan University, Northern Michigan University, Western Michigan University.

- **Nationally-recognized Research Universities**

  Roles: Provide advanced graduate and professional instruction and comprehensive four-year undergraduate instruction, often leading to graduate admission. Conduct basic and applied research. Focus of basic and applied economic development and social research and technology transfer. Location of professional schools.

  Degrees: Baccalaureate, masters, professional, doctorate.

  Student body: National, international, state; mainly residential.

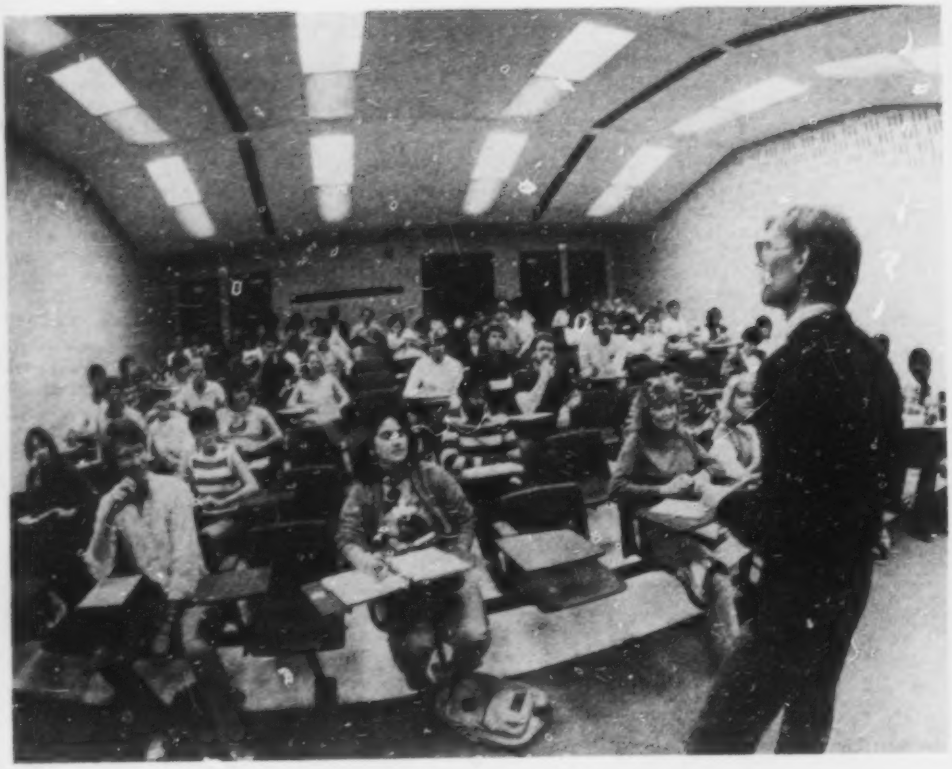
  Institutions (in alphabetical order):

  - Michigan State University: Land grant research university with peer group the top American land grant universities.
  - Michigan Technological University: Extractive industry (mining, metals, wood) engineering-focused university with peer group the top public American engineering and mining-focused institutions.
  - The University of Michigan: Comprehensive research university with peer group the top American public and private universities.
  - Wayne State University: Urban research university in development, with peer group the American public urban universities.

A series of policy statements and implications stem from this classification:

- Responsibility for the various levels of instruction should be funded only for individual institutions as they fall within a given sector of the proposed classification system. As the only Carnegie classified "doctoral granting" institution, Western Michigan University's doctoral programs should be reviewed for possible continuation based upon cost effectiveness, uniqueness and quality. However, the Commission recommends that no new programs inconsistent with the classification be funded.
- The Commission recognizes that the State of Michigan has an obligation to provide geographical access to students wishing to pursue two-year and four-year instructional programs. Thus, while some institutions described as regional state colleges have repeatedly been mentioned as candidates for closure, the Commission finds that such action would, at this time, be arbitrary and overlook the services such institutions currently are providing their respective regions.
- The classification system assigns responsibility for basic and applied research to the four institutions with the largest amount of sponsored research activity to prevent dilution of state funds for research. This classification, however, should not be used to diminish the efforts of the other state universities, regional and technical colleges and community colleges in technology transfer and assistance to business and to their communities.

Michigan's system of higher education needs a policy basis on which resource allocations can be made and institutional performance judged. The recommended classification system provides the means for accomplishing this goal.



Developing A Comprehensive Higher Education Database

RECOMMENDATION: THAT A UNIFORM DATABASE BE IMPLEMENTED, INCLUDING ALL THE STATE'S PUBLIC AND PRIVATE TWO- AND FOUR-YEAR COLLEGES AND UNIVERSITIES, TO ASSIST IN STATEWIDE POLICY DECISIONS; AND THAT THE DATABASE INCLUDE OCCUPATIONAL SUPPLY AND DEMAND DATA AS WELL AS POSTGRADUATE PLACEMENT DATA TO GUIDE STUDENT CAREER COUNSELING AND PROGRAM PLANNING.

Higher education decisionmaking in Michigan must be done on a systemwide basis if it is to be effective. But at present, higher education policymakers lack a continuous comprehensive source of data for timely discussion of complex issues. In fact, the Commission found an astonishing lack of data when it began its deliberations.

In order to provide this critical information, the Commission recommends the expeditious development of a comprehensive database, to be housed in the Michigan Department of Education, developed in cooperation with the Departments of Commerce, Labor, Management and Budget, and the legislative fiscal agencies. This data should be easily accessible on computer statewide with information maintained and collected in three broad areas:

- **All aspects of Michigan's higher education system,** including student enrollments, high school graduation and postsecondary planning data, financial aid, representation of minorities, women and handicappers; institutional data including finance and expenditure, consumer cost, and academic programs. **The four-year institutions should adopt a uniform budgeting and accounting procedure as part of this process;**
- **Occupational supply and demand data** organized by occupation and field of study to guide student career counseling and program planning activities, as well as statewide policymakers.
- **Placement data on college and university graduates,** including employment status by degree level and field of study, and earnings by geographic location. This collection of data would facilitate greater communication between employers and institutions, and provide essential career planning to students. The development of this area could be based on the successful model at Michigan State University.

Adopting Policy-Based Funding Formulas

RECOMMENDATION: THAT STATE AID TO PUBLIC TWO- AND FOUR-YEAR COLLEGES AND UNIVERSITIES BE ALLOCATED USING A FORMULA DESIGNED TO ACHIEVE STATE GOALS AND RECOGNIZE ENROLLMENT CHANGES AND INSTITUTIONAL COST VARIATIONS.

As was noted at length in the Commission's *Midyear Progress Report*, state funding for colleges and universities is now distributed largely without regard to enrollment changes, individual program costs, state goals or institutional roles.

Variations in state funding per student clearly demonstrate the outcome of the current approach. Per student state aid at the general state universities varies from $2,200 to $3,500. Similar variations exist in the other categories of state four-year schools.

Even though the college and university annual appropriation act states, "The appropriations made in this act are based upon a legislative model for determining the financial needs of higher education," state aid has varied only modestly from simple across-the-board increases or decreases. In fiscal year 1984, for example, enrollment fluctuated from an increase of 12 percent to a reduction of 5 percent, but each institution received about a 4 percent state funding increase over actual fiscal year 1983 levels. Finally, in addition to its failure to correlate the distribution of state aid with the distribution of enrollment, this funding method fails to recognize differences in institutional roles or to encourage the implementation of state goals.

In its fiscal year 1985 appropriation, the Legislature began to address this problem at the community college level by developing and appropriating a policy-based formula. The Commission endorses this effort.

Community college appropriations have periodically been based on formulas. The fiscal year 1985 state aid is allocated using a mathematical model developed by the House Fiscal Agency. Briefly, the formula is a complex average cost driven model that also equalizes the variations in local property wealth and provides special equipment funding.

Considerable formula development remains to be done at the college and university level. Since necessary revisions to existing formulas cannot be completed in time for the fiscal year 1986 budget, **the Commission recommends for fiscal year 1985-86 that existing aid be modified only by institutional roles, the various augmentations recommended throughout this report, and an adjustment for inflation.**

"The task then is to develop new formulas that allow institutions to adjust to an environment of declining enrollments and that do not have unintended educational implications."

—Cost Information and Formula Funding: New Approaches, National Center for Higher Education Management Systems, 1982

For a longer term, the Commission supports the Legislature's call for creation of a task force to revise the Owen-Huffman Investment Needs Model. The Investment Needs Model was last used in the 1979-80 budget cycle to project the funding necessary to support the system. The model is normative; that is, it is largely based on standards of appropriate expenditure levels negotiated by the institutions and the legislative fiscal agencies rather than on previous actual expenditure patterns such as average per-credit-hour costs. The model, then, projects what expenditures and revenues ought to be, rather than what they will be.

The Commission recommends that the Executive Office and the Department of Management and Budget immediately convene this group and that it consist of representatives from the Presidents Council of State Colleges and Universities, the Legislature and the Department of Education. This task force should make its recommendations by October 1, 1985. This Commission specifically recommends that the revised formula include the use of national peer institutions to set funding standards of our research institutions, that enrollment changes be recognized and that the current systemwide ratio of state and tuition funding be maintained. It should be noted that the assumption on tuitions represents, in the short run, an acceptance of budgetary realities. For the long run, it should be an overall goal to increase the relative ratio of state funding to student costs.

Providing Better Mechanisms for Program Review and Approval

RECOMMENDATION: THAT THE STATE ADOPT THE PROPOSED INSTITUTIONAL ROLE AND MISSION CLASSIFICATION SYSTEM AND DEVELOP A MORE SYSTEMATIC HIGHER EDUCATION BUDGET PROCESS USING (1) THE ROLE AND MISSION STATEMENTS, (2) THE PROPOSED FORMULA FUNDING MODEL, (3) AN EXPANDED DATABASE SYSTEM AND (4) A PROGRAM REVIEW AND APPROVAL PROCESS. A NEW COMMISSION SHOULD BE EMPANELED BY THE GOVERNOR AFTER THREE BUDGET CYCLES TO ASSESS THE EFFECTIVENESS OF THE PROPOSED SERIES OF POLICIES IN ACHIEVING A MORE SYSTEMATIC APPROPRIATIONS PROCESS.

The time when all schools could afford to offer programs in all areas is past. The emphasis now has shifted to quality and demand; to put it in market terms, competitiveness. In the Commission's view, the allocation of educational resources by clear policy goals is the most appropriate approach to budgeting. The leadership of the Governor and the Legislature is pivotal to this effort.

The Commission views the budget process as the most workable means for focusing spending priorities. For that reason, **it is recommended that a rigorous annual education budget process be developed by the Department of Management and Budget and the Department of Education at the direction of the Governor using the policies set forth in this report.** It is anticipated that additional state funding will be required to support this staff function. Prompt implementation of a statewide education database is crucial to the implementation of such a budget planning and decision making process.

The Commission found many instances where a more comprehensive budget process could have significant implications for resource allocation. In its analysis of the distribution of public college and university academic programs, for instance, the Commission found that when programs are summarized into 21 areas of study, unnecessarily duplicative or low degree producing programs exist at every public college and university in the state. In 1982, 40 percent of doctoral programs produced fewer than 10 degrees, 35 percent of masters programs conferred fewer than 15 degrees and 26 percent of baccalaureate programs generated fewer than 20 degrees. The Commission further found that the programs were not unique, but rather typically were duplicated by another institution. Again in 1982, all baccalaureate and masters degree programs, and nearly three-quarters of doctoral programs, were available at more than one public institution. While many factors must be considered in determining state funding for programs, there are many areas for further questioning indicated by these data.

While occupational supply and demand data have their limitations, there are some areas where their utilization also could be extremely effective in program review. For instance, occupational supply and demand information could justify a 35 percent reduction in physician production, a 55 percent reduction in dentist production, and a 35 percent reduction in one- and two-year nursing programs. The Commission suggests that state subsidies for those curricula could be withdrawn in a way consistent with these findings.

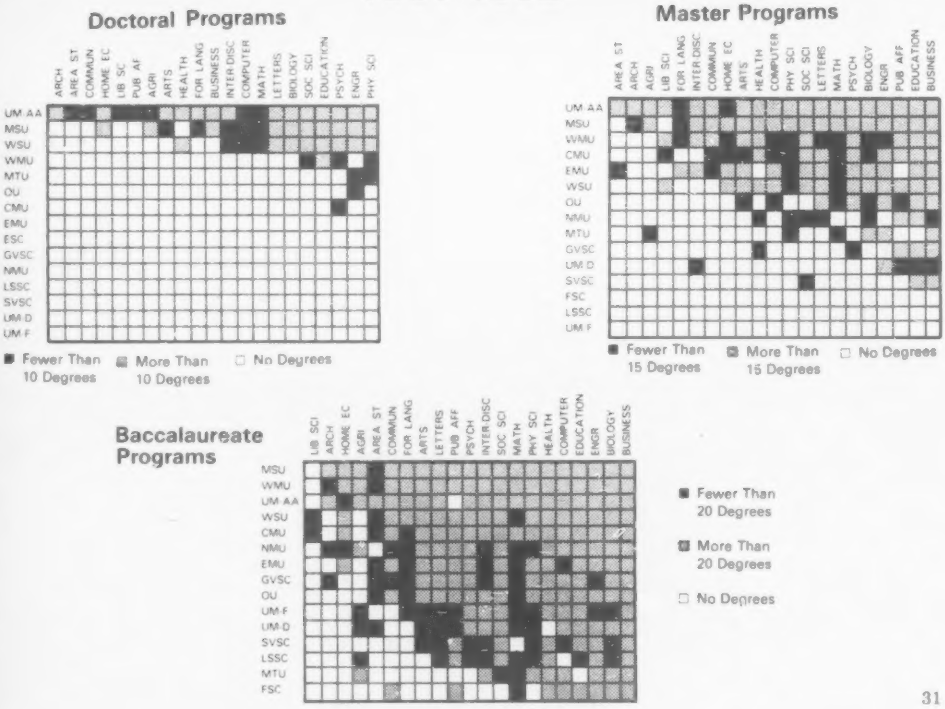
Program distribution decisions should also be made in high-demand, high-cost programs to ensure the best use of the state's resources. For example, the existence of high-quality engineering programs is critical to Michigan's economic future. They are extremely costly and are being offered by an increasing number of institutions. The Commission feels it makes little sense, to purchase the equipment necessary to produce a combined total of 20 engineering doctorates at two institutions located in adjoining counties or to fund undergraduate engineering programs at more than five or six institutions. Thus, the Commission recommends that state funds could be focused on the few high-quality programs consistent with institutional roles and missions to ensure quality.

In order to address these issues, the Commission recommends that the Governor and the Legislature establish a comprehensive review and approval procedure within the budget development process. Reviews should determine if programs are consistent with the institution's role as well as instructional quality, occupational supply and demand data, cost, productivity, student outcome measures and geographic access. Programs found to be inconsistent with these criteria **should not be subsidized by the state** and a phaseout of their funding should occur.

It should be acknowledged that the voluntary program approval process operated by the President's Council of State Colleges and Universities, along with internal program reviews, has had some success in curbing program duplication. However, it is the view of the Commission that further constraints will be required to avoid unnecessarily duplicative and low degree-producing programs in the system.

Finally, **the Commission recommends that after a trial period of three full budget cycles, a new commission be appointed by the Governor to follow up and evaluate the implementation of the Commission's fundamental recommendations and provide a report regarding policy changes that may be appropriate.**

Public College and University Degrees Conferred 1981-1982



Emphasizing Cooperation and Technology

RECOMMENDATION: THAT REGIONAL COOPERATION AND RESOURCE SHARING BE ACTIVELY SOUGHT BY INSTITUTIONS, GOVERNING BOARDS, THE STATE BOARD OF EDUCATION, THE GOVERNOR AND BY THE LEGISLATURE; AND THAT A PANEL EVALUATE THE COST AND FEASIBILITY OF EXPANDING TELEVISION-BASED TEACHING AND OF AUTOMATING LIBRARY OPERATIONS.

The Commission applauds the resource-sharing programs already in effect, such as the joint use of physical facilities, joint degree programs, early college admission for talented high school seniors and agreements which facilitate the transfer of credits. However, in view of future needs, **the Commission calls for even greater progress in innovative ventures such as telecommunications networks, program agreements between institutions and sectors, consolidated library resources and maximum use of automated technology to eliminate costly and inefficient duplication. Agreements regarding the transferability of credits from one higher education institution to another must be expanded and strengthened as well.** Development in these areas is an ongoing process and should receive priority in all resource allocation decisions.

Use of the proposed comprehensive database could eliminate costly program duplication and avoid the significant failures of the past where universities or colleges went their own way and in some cases either canceled valuable programs across the board or expanded, with little regard for state or regional needs and options.

One excellent, but underutilized, cooperative mechanism is telecommunications. Although television has been used at Michigan colleges and universities for almost 40 years, its practicality, cost and range of application have never been fully developed. **The Commission recommends that an immediate effort be undertaken to consider the questions related to its use and overall impact on students and faculty, and the quality of instruction; and that the state assume a leadership role in using statewide telecoursing and teleconferencing.**

The State Superintendent of Public Instruction should assume a leadership role in calling together a panel from all the affected sectors to initiate action on this proposal. It is the Commission's intent that an action proposal be developed that could have private support for continuing leadership.

There are several inherent advantages to developing and using educational television in Michigan:

- Ability to use existing community locations for video centers such as libraries, grade schools, high schools, community colleges and private sites;
- Holding down cost of commuting while assuring geographic access;
- Providing a vehicle for increasing cooperation between private sector and higher education;

"Telecommunications is to the future what the highways, railroads and harbors were to the past.
The capacity to use (it) effectively as a new form of communications and commerce will be unparalleled in our history."

—David L. Birch, Massachusetts Institute of Technology, 1983

- Guaranteeing quality instruction in critical areas such as the humanities, the social sciences and computer instruction;
- Better delivery of state job training programs; and
- Flexibility in meeting continuing education requirements and retraining for adult fulltime workers.

According to the Council of State College and University Library Directors, a revolution is occurring in storing, retrieving and cataloging information. An upsurge in the volume of information and the speed of its production have placed libraries on the front line of technological change. Because academic libraries are central to the instructional and research capabilities of higher education, the **Commission recommends that the technology panel proposed above also estimate the cost of connecting academic libraries through automation** (including the cost of converting library holdings to computer readable format, the cost of acquiring necessary hardware and software and the cost of staff training **and recommend a plan for funding this automation.**

The Commission would be presenting a false expectation if it were to suggest a single, across-the-board answer to questions of tighter coordination. Rather, cooperation between institutions must be accomplished through continuing pressure and creative problem solving at the state and regional levels. Too often public and private entities work together to create their own private turf at the nearest institution rather than addressing a statewide solution. It is imperative that we move away from such parochialism if effective use of resources is to be accomplished.

Maintaining the Physical Structure

RECOMMENDATION: THAT $30 MILLION PER YEAR BE APPROPRIATED OVER THE NEXT FOUR YEARS TO CONDUCT DEFERRED MAINTENANCE PROJECTS AT PUBLIC TWO- AND FOUR-YEAR COLLEGES AND UNIVERSITIES.

When the Commission began its deliberations, it was confronted with claims from the state's colleges and universities that inadequate funds had been provided to maintain their physical structures and that serious deterioration was occurring. Indeed, the Presidents Council noted that, "If no state action is taken, buildings will be lost." The Commission has found many of these concerns to be well-founded.

Michigan's public colleges and universities operate a physical plant with an estimated replacement value of nearly $5 billion but the state appropriates less than $10 million annually for higher education facility maintenance. College and university personnel argue that during the late 1970s and early 1980s, institutional funds that normally would have been used for maintenance were diverted to cover other shortfalls.

In an effort to determine the amount of maintenance deferred by the institutions during this period, the Department of Management and Budget surveyed each public four-year institution. The cost of conducting the maintenance projects submitted in response to the survey totaled $125 million.

In order to validate the need, the Commission asked the Michigan Society of Professional Engineers to examine deferred maintenance needs at our public colleges and universities. Teams of independent engineers visited five universities and conducted an extensive review of their maintenance requests. The Society identified a backlog of deferred maintenance projects of about $50 million at the five universities visited. The Commission feels that when the other ten, mostly smaller, campuses are considered, the actual total college and university deferred maintenance need is about $90 million.

Public community colleges have not in the past received state funds for facility maintenance, but it now appears that it would be prudent for the state to alter this policy. Most of the existing community college physical plants were constructed during the 1960s or before and are now reaching the age where significant maintenance is required. Community colleges, however, have had difficulty obtaining maintenance funding. The passage of the amendment to Article 9 of the Constitution which requires a vote of the electorate for any millage increase inhibits the use of local funds for facility maintenance. Similarly, state aid reductions have constrained community college budgets. The Commission feels it is in the state's interest to maintain this valuable resource.

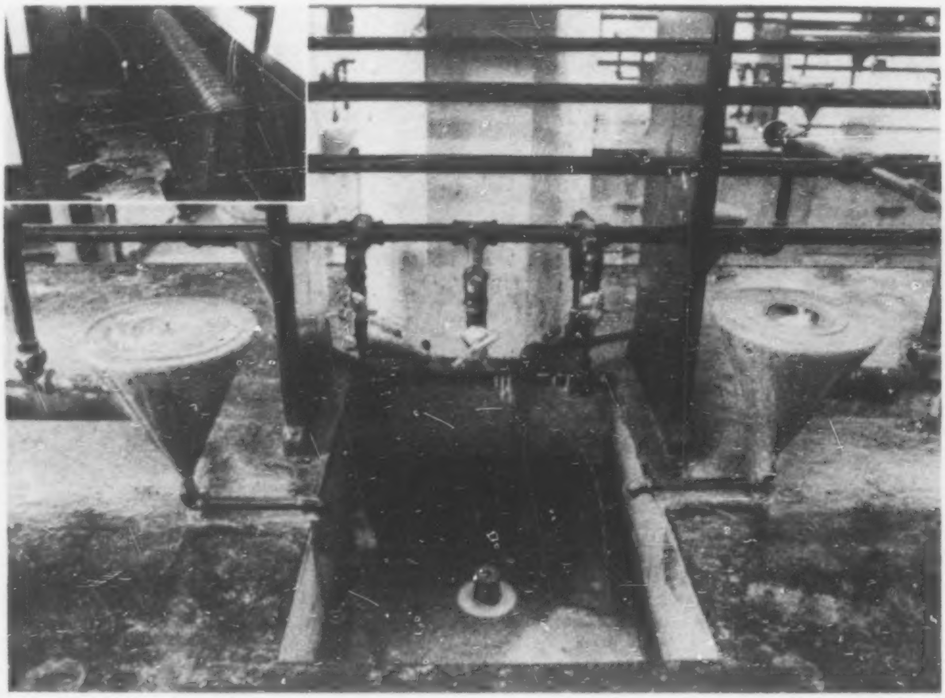
". . . Deferred maintenance tends to become more acute with the passage of time and will cause progressive decay, enhancing the rate of deterioration and breakdown . . . increased repair requirements must be given a great deal of attention."

Deferred Maintenance: Current Backlog at State Facilities, Department of Management and Budget, 1983

An inventory of community college maintenance needs has not been compiled. However, based on testimony heard by the Commission, it appears that community college needs generally correspond to college and university needs. Since the $90 million maintenance program recommended by the Commission equals about 2 percent of the physical plants' replacement value, it seems reasonable to estimate that 2 percent of the community colleges physical plants' replacement value, about $30 million, will be required to address community college deferred maintenance needs.

Specifically, the Commission recommends that a total of $120 million be appropriated over the next four years in a higher education deferred maintenance annual lump sum appropriation to the Department of Management and Budget. Consistent with current capital outlay policies, not more than 50 percent of the cost of a community college maintenance project should be provided from this fund.

The Commission also feels that both the state and the institutions historically have not placed a high enough priority on facility maintenance. Even during the recent period of fiscal difficulty, new construction projects had a much higher priority than maintenance projects. In fiscal years 1981 and 1982, for example, only a total of $4 million was appropriated for maintenance, but nearly $60 million was appropriated for new construction. **The Commission strongly recommends that maintenance become the highest capital outlay priority.**



Targeting *Capital Expenditures*

RECOMMENDATION: THAT NEW CONSTRUCTION PROJECTS AT STATE FOUR-YEAR INSTITUTIONS BE REQUIRED TO MEET STRICT CRITERIA OF NECESSITY TO RECEIVE STATE FUNDING; THAT SIMILAR CRITERIA BE APPLIED TO COMMUNITY COLLEGE CONSTRUCTION; AND THAT ALL INSTITUTIONS BE ENCOURAGED TO FIND NEW SOURCES OF PRIVATE AND FEDERAL SUPPORT FOR CAMPUS PROJECTS.

At the time the Commission was formed, a backlog existed of some $750 million in capital outlay requests for new construction from the colleges and universities alone. Responding to Governor Blanchard's charge, the Commission scrutinized each request and listened to presentations from each college and university. The Commission pared down the list to projects costing approximately $125 million. The Commission also developed a set of criteria that it hopes will guide the Governor and the Legislature to make cost-effective and policy-based future capital outlay decisions.

The Commission recommends that state policymakers adopt the following criteria for all future outlay decisions:

- Renovation and physical safety projects will receive highest priority;
- Construction of new classrooms should be discouraged. Additional classroom space should be gained through renovation or remodeling, or sharing arrangements with neighboring institutions;
- Proposed new construction should be approved *only if* consistent with: State economic development and job training priorities or achieving programs of national excellence; Recommended institutional roles and missions; Proposed program curtailments.
- State funding for new construction should be appropriated *exclusively* for specialized academic and research facilities. Institutional and private funds should be the sole source of financing for nonacademic or nonresearch projects, such as auditoriums and athletic facilities;
- Review of program statements by Department of Management and Budget should ensure that each project endorsed for legislative consideration is appropriate to the institution's role and mission (as well as with other applicable state policies);
- In general, a project should not receive state funding unless it is among the three top priorities of the institution; and
- Community colleges should be subject to the same criteria of necessity. The existing match requirements for that sector should be sustained.

In comparing these criteria to the current capital outlay requests, **the Commission recommends the following projects:**

- Ferris State College, Heavy Equipment Building construction;
- Wayne State University, Mackenzie Hall renovation;
- The University of Michigan, Chemical Science Building construction and Natural Science Building renovation;
- Michigan State University, Veterinary Clinic construction and renovation.
- **A major remodeling lump sum of $10 million to be appropriated annually to the Department of Management and Budget for remodeling projects at state two-year and four-year institutions.** The first projects to be funded should be the requested remodeling projects at Western Michigan and Eastern Michigan Universities.

The Commission also has a number of observations to make regarding other capital requests:

- **Northern Michigan University Olympic Training Center:** This project appears to be economically desirable, but it is not a higher education academic or research project and thus does not appear on the above list.
- **Eastern Michigan University, Corporate Training Center:** This project is a major intersection of higher education training and economic development needs. This joint venture with a privately financed hotel should generate significant benefits and merits support as an economic development project.
- **Grand Valley State College, Grand Rapids Center:** The Commission suggests this project be revised to an institute which stresses graduate and technical education, with a special emphasis on office systems and facility-management technologies. Graduate offerings, which the Commission finds to be an important need in that part of the state, should be provided through the institute by a consortium of appropriate universities, under the direction of an independent board. Further, the Commission recommends that, should additional classroom space be needed, alternatives to construction be explored before a new facility is built.
- **The Commission recommends that a review panel of industry experts be convened to assess the economic payback to the state and the demand for graduates of any future capital projects presented by the institutions as having economic development potential.** The first project to be reviewed should be the Minerals and Materials Building at Michigan Technological University.

"Sufficient physical capacity probably exists for higher education, but it is geared improperly to meet future needs."

—Higher Education Capital and Investment Advisory Commission, William Agee, 1980

"Sixty-six percent of the adults surveyed were opposed to increased spending for the construction of new buildings on campus."

Attitudes and Opinions: Michigan Higher Education, Frank Magid Associates, 1984

Promoting Program Efficiency

RECOMMENDATION: THAT THE MEASURES THE COMMISSION HAS OUTLINED BE IMPLEMENTED TO GUIDE CONTINUED PROGRAM EFFICIENCIES AND INSTITUTIONAL DOWNSIZING; AND THAT CRITERIA BE DEVELOPED WHERE REDUCED ENROLLMENTS MAY IN THE FUTURE MANDATE CAMPUS OR INSTITUTIONAL MERGERS OR CLOSURES.

Michigan's higher education system has already increased its efficiency through program review and resource allocation. Nearly $70 million has been redirected from low-priority efforts to higher-priority efforts in the four-year schools alone. Community colleges have made similar readjustments. However, a large number of unnecessarily duplicative, low degree-producing and frequently high-cost graduate and undergraduate programs are still in operation. Further efficiencies are undoubtedly possible, especially in light of enrollment declines.

In this section, devoted to focusing the priorities of higher education in Michigan, **the Commission recommends a plan for a stronger, leaner and more efficient system. If followed, this plan will eliminate the need for more than $600 million in capital expenditures, and from $40- to $55-million annually in future operating costs. The elements of the plan are summarized below:**

- **ROLE AND MISSION CLASSIFICATIONS**—After reviewing information on the number and size of existing graduate programs, enrollment projections, and geographic factors, the Commission concluded that funding should be focused on fewer graduate degrees. **State subsidies should be discontinued for those programs not consistent with an institution's role and mission.** However, it should be recognized that the labor intensive nature of these programs makes savings dependent upon staff reduction and attrition. Thus, actual savings will be realized in the long term rather than the short term.
- **UNDERGRADUATE PROGRAM REVIEW**—Similar data exist to confirm that the number of undergraduate programs is excessive. **The Commission recommends that low degree producing, non-core curriculum programs be reviewed by the Department of Management and Budget (DMB) and Department of Education as a part of the annual budget review process, and that the Executive Office and the Legislature be advised to discontinue subsidies for those programs.**
- **HEALTH CARE PROFESSION PROGRAMS**—Studies developed by the Michigan Department of Public Health and DMB's Office of Health and Medical Affairs reveal that the number of physicians, dentists and nurses being graduated from Michigan's professional schools exceed overall statewide demand. Their data justify a 35 percent reduction in the number of physicians, 55 percent in dentists, and 35 percent in one-and two-year nursing programs. **The Commission recommends that state subsidies for these curricula be withdrawn in a way consistent with those findings and with other considerations such as the social service commitments of professional schools.**

  While it is recognized that some areas of the state do not yet have adequate medical services, this problem must be dealt with in ways other than perpetuating a substantial oversupply. The Commission recommends that incentives be explored for resolving distribution problems, and addressing the health personnel needs of particular service areas. This goal should be addressed immediately by joint Legislative/Executive action to develop the appropriate budget recommendations.

- **HIGH-COST ENGINEERING PROGRAMS**—The existence of high-quality engineering programs is critical to Michigan's economic future; they are extremely costly and are being offered by an increasing number of institutions. The Commission feels it makes little sense, for example, to purchase the equipment necessary to produce a combined total of 20 engineering doctorates at two institutions located in adjoining counties or to support more than 5 or 6 engineering programs. **The Commission recommends that state funds be focused on the few high-quality engineering programs consistent with institutional roles and missions.**
- **INFORMATION SHARING**—Currently, information critical to efficient and effective higher education policy development at the individual schools and statewide levels is not only difficult to obtain, but frequently not in a comparable format because it is maintained by numerous state agencies. Implementation of a uniform statewide database, as recommended by the Commission, will provide more comprehensive information for all institutions and state policymakers to make better comparative decisions. **The entire data system should be on-line and available to all state and institutional planners.**
- **CAPITAL OUTLAY CRITERIA**—Other higher education commissions have concluded, and this Commission agrees, that far too many state funded capital outlay decisions are made for parochial reasons rather than from a statewide higher education perspective. **Thus the Commission recommends that the capital outlay criteria it developed be adhered to for all future capital decisions.**
- **ENROLLMENT-DRIVEN FORMULA**—Currently, state aid to colleges and universities is distributed without regard to enrollment changes. Since we are entering a period of long-term enrollment decline, perhaps as large as one-fifth of peak levels, continuation of this policy would simply provide funds for the education of students who are no longer there. **The Commission recommends that enrollment be a key factor in the distribution of state subsidies.**
- **EXCESS ACADEMIC CAPACITY IN SOUTHEASTERN MICHIGAN**—The decline in enrollment at Wayne State University over the past few years approaches the *total* enrollment at The University of Michigan-Dearborn. Similarly, the enrollment decline at Wayne County Community College equals or exceeds the enrollment at a number of area public community colleges. As enrollment continues to decline over the next decade, southeastern Michigan's education capacity will increasingly be underutilized. **The Commission recommends that a detailed cost-benefit analysis be undertaken by DMB, using the criteria discussed on the merits of eventually consolidating appropriate southeastern Michigan programs.**

Closing Criteria. Finally, given enrollment projections, the **Commission suggests that a standard be adopted for triggering the consideration by state policymakers of closing or merging some state institutions, should that be necessary in the future.** The Commission recommends that when an institution loses more than one-third of its peak year enrollment, a comprehensive cost-benefit analysis be conducted on the merits of merger with another institution, closing a campus, and/or closing the institution. Consistent with other states that have conducted similar studies, the analysis should include a review of the institution's ability to fulfill its educational mission, student access and need, fiscal impact on the area, impact on collective bargaining agreements, and identification of actual cost reductions. It is likely that several institutions will confront this problem by 1995.

Strengthening Institutional Leadership

RECOMMENDATION: THAT UNIVERSITY GOVERNANCE BE STRENGTHENED BY GUBERNATORIAL APPOINTMENT OF ALL GOVERNING BOARDS; BY EASING OF UNDULY BURDENSOME FINANCIAL DISCLOSURE LAWS; AND BY CREATION OF A MORE SUPPORTIVE ENVIRONMENT FOR PRESIDENTIAL LEADERSHIP.

Strong institutional leadership, at both presidential and governing board levels, is central to ensuring a quality system. The Commission believes that the selection and support of these individuals must be improved in order to attract the best candidates for university leadership positions.

The Commission recommends that three steps be taken to establish a stronger basis for institutional leadership:

- **ALL BOARD MEMBERS BE APPOINTED BY THE GOVERNOR—The Commission recommends that the Legislature initiate a ballot proposal, to be placed before the voters in the general election, providing for gubernatorial appointment of all university governing boards.** Although it will take a constitutional amendment, the Commission has concluded that such appointment is the best method of choosing individuals for state college and university boards. Michigan is one of only five states where university trustees are chosen by the electorate. It is the Commission's view that the current system often leads to limiting and capricious choices and discourages many qualified candidates who are unwilling to subject themselves to its uncertainties.

  Further, it is suggested that consideration be given to the creation of a blue ribbon, privately-funded citizens group to recruit and screen governing board candidates. This recommendation is modeled on the findings of the Association of Governing Boards of Universities and Colleges' study of trustee selection.

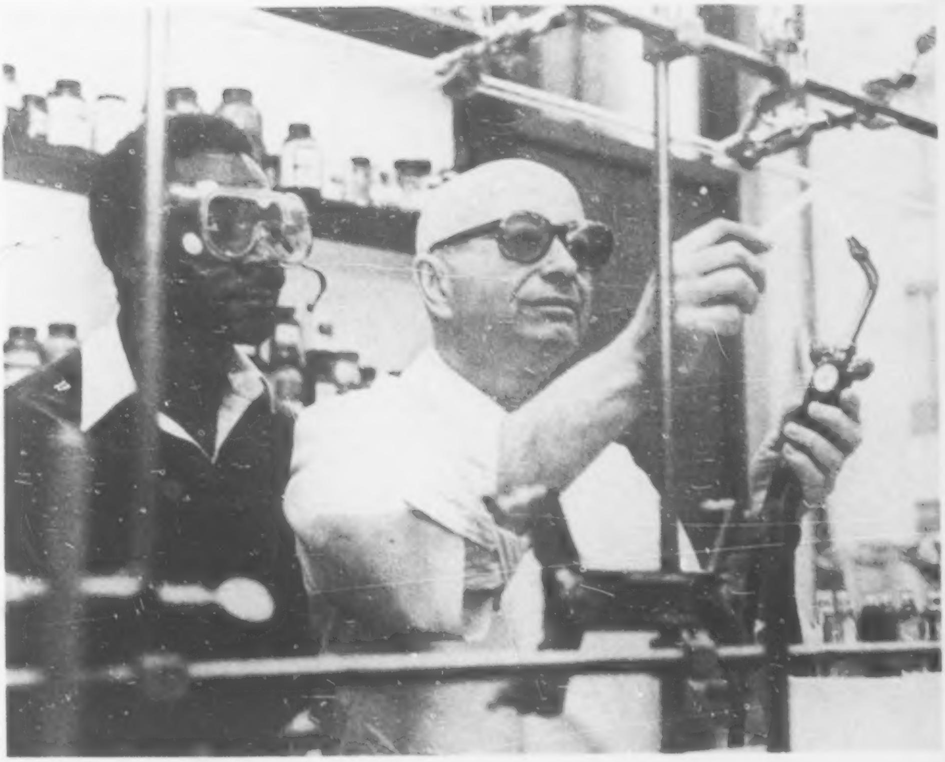
- **CONFLICT OF INTEREST AND FINANCIAL BARRIERS TO APPOINTMENT BE EXAMINED**—Present financial disclosure requirements for governing board members are more restrictive than those imposed on registered lobbyists. The Commission questions whether such burdensome requirements are necessary to protect the public from conflict of interest. Careful consideration should be given to reforming those requirements to bring into better balance the public's right to know the financial circumstances of public officials with the privacy rights of those individuals serving voluntarily on governing boards.

> *"More open and systematic procedures for trustee selection will improve the probability that only highly qualified persons with a demonstrated commitment to higher education will be chosen to serve on public governing boards."*
>
> **—National Commission on College & University Trustee Selection, 1980**

- **PRESIDENTIAL LEADERSHIP BE STRENGTHENED**—The Commission also considered the conditions under which university presidents must carry out their responsibilities in a time of institutional transition.

In this connection, the Commission urges that serious consideration be given to the recommendations of the Commission on Presidential Leadership, a national panel that conducted an intensive study of college presidencies in America. The Commission, headed by Clark Kerr, former president of the University of California, concluded that the president's job at most institutions has become too unrewarding, too stressful and too constrained by outside influences to attract the kind of person that is probably best qualified to serve. Constraints include more federal and state controls on institutions; more faculty influence over appointments, policy and promotions; more participation by governing boards in daily decision making; greater student influence, and economic conditions.

Strengthening presidential leadership is one of higher education's most urgent concerns, according to the Kerr Commission. *It would profit each of Michigan's institutions to conduct a reexamination of the conditions surrounding the president's role as it relates to: involving faculty in decisionmaking, minimizing factionalism, clearly delineating the responsibilities of the president and the board for management and policymaking, and reestablishing presidential leadership in critical financial and program areas.*



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Supporting Economic Progress

Introduction

The past two decades have treated Michigan's economy with a harsh hand. Countless thousands of our workers have been laid off or displaced: many firms have closed their doors; and our durable goods manufacturing sector, especially the automobile industry, seemed on the verge of losing international competitiveness.

In establishing this Commission, one of Governor Blanchard's objectives was to examine the relationship of higher education to economic development and job creation. In accepting this charge, the Commission examined not only Michigan's strengths, but also the success stories from other states, such as Massachusetts and California. The Commission identified several key factors in these successes:

- Existence of nationally recognized universities doing research at the cutting edge.
- Interest in applying basic and applied research to the real world by encouraging faculty and entrepreneurs to transfer technology out of the university into the marketplace.
- Significant venture capital and federal research contracts.

Further, for Michigan, the Commission identified a series of overall objectives in relating higher education to economic development.

- Stress on increasing Michigan's competitiveness and diversification;
- Emphasis on aspects of the economic base where Michigan possesses a comparative advantage including manufacturing, food and forest products and plentiful water resources;
- Highlighting the invaluable human resources and skilled work force that have distinguished Michigan.

The results of the Commission's work form the basis for a strategy which links Michigan's tradition of excellence in higher education to the imperative of revitalizing existing industries, creating new firms and providing stable new jobs.

- The Commission proposes a series of focused investments in Michigan's research universities and in their cutting edge research and development programs. Building on recognized basic and applied research, higher education can help fuel Michigan's economic renaissance, but the Commission recognizes that investments must be tightly focused on areas of demonstrated excellence.
- The Commission also suggests a variety of ways to facilitate the transfer of technology from the laboratory into the business world by reducing existing barriers to the commercialization of discoveries, by increasing the availability of venture capital, by procuring more research funding and by encouraging and training entrepreneurs.
- Finally, the Commission urges a serious job training effort for Michigan's workers. As long as relatively unskilled labor is called for in the workplace, well-paying jobs in Michigan can be exported abroad into cheaper areas; but if high skills lead to high productivity, Michigan's jobs will stay right here where they belong.

If implemented, the Commission's suggestions can create the links between our higher education system and our economy that can once again make Michigan an arsenal—this time an arsenal of productivity.

Supporting Excellence in Research and Development

RECOMMENDATION: THAT A RESEARCH EXCELLENCE FUND BE CREATED BY ACTION OF THE LEGISLATURE TO FUND A FIVE-PART STRATEGY FOR MAINTAINING MICHIGAN'S RESEARCH LEADERSHIP; AND THAT A COMMON SEMESTER CALENDAR BE ADOPTED BY THE RESEARCH INSTITUTIONS.

Michigan's major research universities are ranked among the finest in the nation. Their ability to attract research and development funding, and the finest faculty and graduate students, has for many years made Michigan a strong competitor in the market place of knowledge and technology.

Recent developments, however, have cast into doubt Michigan's commitment to sustain that leadership. Years of unstable state appropriations, compounded by declining federal support, have been costly to the research institutions, not only in building disrepair and equipment obsolescence, but in their ability to keep distinguished faculty and attract talented graduate students. The level of state funding for Michigan's research universities has fallen below that of comparable institutions in other midwestern states. Priority funding is essential to maintain and enhance their reputation for excellence in physical and intellectual resources.

Enhancing cooperative efforts among the research institutions merits considerable attention. **The Commission recommends that the research institutions adopt a common semester calendar.** This would enable them to do joint projects and resource sharing far more effectively.

The Commission proposes that money be earmarked in the higher education appropriation act to create a five-part Research Excellence Fund. Primary responsibility for administering the Research Excellence Fund should be assigned to the Department of Commerce. To become Research Excellence Fund grantees, institutions would submit formal proposals for screening based on compatibility with state economic development goals. Priority funding would go to research universities.

These funds should be administered by the Department of Commerce in the five areas outlined below. Proposal review would be based on Commerce's identification of research sectors which have the greatest applicability to the needs of the state's economy. Proposals would then be screened by a peer review process of technical evaluation modeled on the National Science Foundation process. A peer review process by individuals knowledgeable in the fields under consideration and independent of Michigan's research universities would ensure that the most qualified projects are selected without regard to institutional affiliation or other parochial bias.

Research excellence funding should be distributed in support of proposals involving some or all of the elements described below:

- **CENTERS OF SCHOLARLY EXCELLENCE**—To enhance the standing and strength of advanced scholarship in Michigan, **the Commission recommends an annual appropriation of $15 million to support several internationally competitive Centers of Scholarly Excellence.** Funds would be targeted, based on national rankings of R&D excellence, at programs having a demonstrable likelihood of achieving reputations of regional or national excellence during a 3-to-5-year funding period. Although proposals from major research universities would be given priority status, other programs such as the Paper Science Institute at Western Michigan University would qualify under the proposed criteria. These centers of excellence will primarily be focused on building up research capability in science and engineering. They will also include such premier social science research as can add to our understanding of how the state's citizens and public institutions can better adjust to the economic and social changes that lie ahead.

- **STATE MATCH FOR ENDOWED FACULTY POSITIONS**—To attract outstanding researchers and prevent a migration of researchers from Michigan, **the Commission recommends a $15 million state appropriation over three years to be matched on a dollar-for-dollar basis by institutions for use in financing special faculty positions.** One million dollars in endowment funds could be procured by combining a $500,000 minimum institutional match with an equal amount of state funding. Under this proposal, public and private dollars would combine in a trust fund to perpetually endow faculty positions in targeted disciplines. Endowed chairholders would be required to engage in specified public service, when appropriate, as a condition of this public trust.
- **STATE SUPPORTED GRADUATE FELLOWSHIPS—The Commission recommends an annual set-aside of $2 million in state fellowship funds to support graduate students in disciplines related to economic development and those whose humanities or social service research will help the state in adapting to the influence of technology on people and on the environment.** This program administered by the Department of Education based on a plan jointly developed by the Department of Commerce and the State Superintendent, would help research institutions attract an outstanding corps of research apprentices and future faculty members.

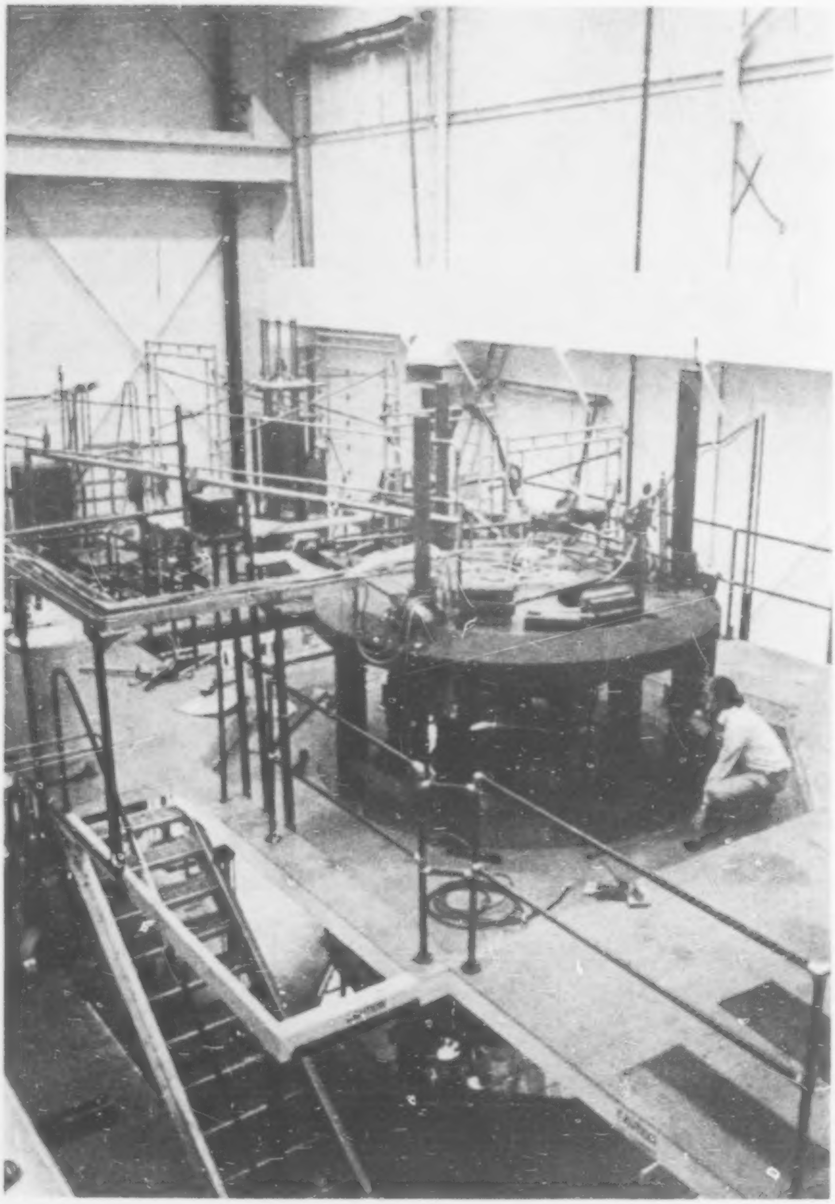
  This fund would enhance the research institutions by strengthening their graduate recruitment efforts through full-tuition waivers, stipends or fellowships in highly competitive fields. The Commission believes that fellowships and tuition waivers will increase the willingness of talented students in fields of particular relevance to the needs of this state to learn, teach and work in Michigan.
- **STATE MATCH FOR INDIRECT COST REVENUES—The Commission recommends that funds be annually appropriated to serve as a 25 percent match for the overhead funds awarded to universities carrying out sponsored research.** This program would double the funds available for acquiring specialized laboratories, sophisticated equipment, books, journals and other supports needed to uphold the research enterprise. **1983 data indicate that a 25 percent state match for the $40.1 million in indirect costs recovered by researchers would bring additional administrative support funding of $10 million annually.** Distribution of these funds would be by specific formula.
- **APPROPRIATION FOR MAJOR RESEARCH EQUIPMENT**—The availability of specialized research equipment influences the volume of scholarly output, especially in the sciences and engineering. In the highly competitive arena of federal R&D funding, antiquated research equipment can reduce an institution's sponsored support. A recent federal study reported that ". . . university researchers work with inadequate tools that impair the pace of research, force closure of lines of inquiry. . . . The best equipped industrial laboratories surpass almost all university laboratories."

  In recent years, public institutions have deferred both equipment repair and equipment purchases. Funding to replenish the stock of instructional tools is recommended in a previous section of the report. Large-scale, nonroutine equipment is the issue the Commission believes is best addressed as part of the Research Excellence Fund.

  Currently, major equipment requests are handled in a way which hinders sound need-analysis and prevents prompt purchases. Lacking a fund for major equipment, institutions tend to imbed equipment needs in other requests. Verifiable estimates of major equipment needs are, therefore, difficult to calculate. **The Commission recommends that state funds be appropriated for allocation to Research Excellence Fund grantees whose projects require specialized research equipment.** Examples of priority projects might include equipment for a solid-state electronics fabrication facility, expensive electron microscopes or high field, double-focusing spectrometers.

Priority should be given to equipment requests which are opportunity-based and hold promise for economic development if promptly approved. Based on campus visits and a review of specific proposals, **the Commission recommends an initial appropriation of $10 million annually, with the understanding that unused funds would lapse if sufficently worthy projects are not identified.**

The proposed Research Excellence Fund offers Michigan an opportunity to strategically target research and development funds for the very first time. We urge legislators to seize the chance to direct research expenditures in a way which benefits individual institutions, which achieves state policy goals and which promises more jobs and products to Michigan's citizens.



Moving Expertise and Innovations to the Marketplace

RECOMMENDATION: THAT THE KNOWLEDGE AND RESEARCH RESOURCES OF MICHIGAN'S COLLEGES AND UNIVERSITIES BE MADE MORE BROADLY AVAILABLE THROUGH TECHNOLOGY TRANSFER, AND NEW LINKS BETWEEN THE BUSINESS AND UNIVERSITY COMMUNITIES.

The economic welfare of Michigan depends in the future, as it has in the past, on technology—not just its development, but its successful use and commercialization. Armed with new transportation technology a half-century ago, Michigan built an astonishingly productive manufacturing economy, creating in the process thousands of jobs and related commercial enterprises, a climate of progress and opportunity for its citizens, and a great university system.

Now the state is moving to an economy based on more sophisticated work. It is a transition that Michigan is uniquely equipped to make successfully. How successfully depends not only on the availability of research and technology, but on how efficiently those resources can be invested in economic development and used to bring new technology to the marketplace. Higher education must assume a truly strategic role in Michigan's future economy. The alternative is decline to second-class status as other states race ahead in the competition for new knowledge and technology, research funding, science scholars, and successful technology-based enterprises.

The university community in Michigan has responded to the challenge. That is attested by the impressive number and variety of economic development activities, approaching 50, either sponsored by or affiliated with state public colleges and universities. They vary greatly in quality and viability, in sophistication and aggressiveness. What is most critically needed now is to coordinate those until now uncoordinated, campus-based economic development activities with the state's overall educational and economic goals.

The Commission recommends the following steps be taken to open wider the doors of cooperation and communication between the university research community and all sectors of the business community and between the universities, in order to maintain and enhance Michigan's reputation for excellence and assure their continued contribution to the state's well-being:

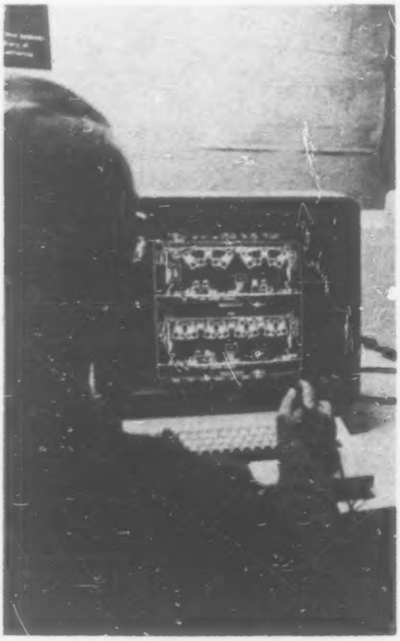
- Expand the university **public service** mission to include assistance to private for-profit entities, and give credit toward tenure for faculty public service which is university coordinated and professionally relevant. Such expanded activity will help in the diffusion and commercialization of new ideas.
- Reexamine university regulation of **intellectual property**, in order to make possible greater faculty involvement in economic development activity and at the same time assure continued protection of the public investment in research;
- Allocation by the research universities of a portion of their endowment investments for **venture capital** purposes;
- Expand, and adequately fund, current **technology transfer network** activities. Existing mechanisms for university/business cooperation are embryonic, and the lack of access to technical assistance impacts most heavily on small- and medium-sized firms. The current network can be refined by establishment of a uniform computer network between institutions, along with placement of technology transfer agents on all campuses as well as in the state Department of Commerce. The existing Agricultural Cooperative Extension Service is an example of how this effort can be successfully accomplished.

- Create **a greater partnership between postsecondary education and local communities** through the establishment of formal mechanisms for communication between community leaders and postsecondary institutions, and urge the 98th Congress to fund the Urban Grant University Program (Title XI of the Higher Education Amendments of 1980). Incentives should also be encouraged at the state level to match institution and local funds spent on initiatives in areas of high unemployment or economic decline.
- Offer **entrepreneurial training** through college placement offices, for both students and alumni, to ensure that college graduates know how to establish and operate viable commercial ventures; and
- Create a **Product Development Center** as part of the proposed Michigan Strategic Fund now before the State Legislature. This Center would stimulate product innovation and fund transformation of laboratory discoveries into prototypes which venture capital investors would find appealing.

Economists consider the most important determinant of economic growth to be the pace at which new knowledge—technology—is diffused and used in the marketplace. The diffusion process is driven by high-quality research and excellent research faculty. If done well, diffusion results in a high volume of innovation, the establishment of new businesses, better local problem-solving and overall economic growth.

"A large majority (8 in 10) agree that public colleges and universities in Michigan have a significant role in strengthening the state's economy, and that a high-quality system of public colleges and universities is necessary to attract new businesses to the state and keep old ones."

—Attitudes and Opinions: Michigan Higher Education, Frank Magid Associates, 1984



Responding to a Changing Work Place

RECOMMENDATION: THAT A COMPREHENSIVE JOB TRAINING/RETRAINING STRATEGY BE SUPPORTED; THAT A STATE-FUNDED FINANCIAL AID PROGRAM BE DEVELOPED TO ASSIST WORKERS NEEDING NEW OR UPDATED SKILLS; THAT INFORMATION ABOUT THE STATE'S JOB TRAINING PROGRAMS BE MADE AVAILABLE THROUGH ONE SOURCE; AND THAT COMMUNITY COLLEGES BE ASSIGNED MAJOR RESPONSIBILITY FOR ADULT JOB TRAINING AND RETRAINING.

People and their talents have historically been the critical factors in our economy. Human resource development and knowledge have, since 1929, accounted for 75 percent of the increased output enjoyed by the United States. People and knowledge, furthermore, are predicted to stimulate more growth than any other factors between now and the mid-1990s.

Michigan's skilled and highly motivated labor force has been one of the state's great strengths in attracting and retaining industrial development. As the state economy continues its transition to a more sophisticated industrial base, a massive restructuring of the education system is required to improve worker capabilities and retain Michigan's competitive position.

The Commission recommends four strategies for addressing this need:

- **FINANCIAL AID FOR ADULT JOB TRAINING AND RETRAINING—The Commission recommends increased funds to retrain dislocated workers and employed workers whose skills need updating.** Although 200,000 Michigan citizens now fall into the former category, federal funds are only adequate to serve 8,000 of the people displaced by the recession and new technology. As a way to enhance the level of job retraining resources, **the Commission recommends that community colleges include dislocated workers in programs of special counseling and curriculum modification. The General Grant Program (GGP) discussed previously in this report is intended to initiate a financial aid program which is sensitive to the special circumstances and vocational needs of adults who often attend parttime at community colleges, colleges and universities. Proposed GGP funding would add $8 million in the first year, to $11 million in Federal Job Training Partnership Act funds** which are locally-matched. This would also complement the automobile industry's "nickel-an-hour" fund by offering retraining to unemployed industrial supply workers.
- **CENTRALIZED MARKETING FOR JOB TRAINING—Information on existing training programs must be made available through a single point to new and expanding industries.** The Office of the Ombudsman offers an excellent model for consolidating training information. At present, job training applicants (like many businesses) face a complex maze of program alternatives funded and administered by different levels of government—offered in a variety of settings (public, private, academic and nonacademic). A single contact point is needed. **The Commission recommends that the position of Job Training Ombudsman be established** with access to both the statewide technology transfer network previously proposed and to the labor market elements of the higher education database.
- **LABOR MARKET INFORMATION—The Commission recommends that the higher education database proposed previously in this report make occupational supply and demand data available, in usable form, to all institutions and policymakers involved in job**

training/retraining. In order to ensure that workers are prepared for jobs that actually exist, knowledge about changes and expansions in business and industry must be readily available.

- **COMMUNITY COLLEGES AS LEADERS IN ADULT JOB TRAINING—Community colleges should be formally assigned major responsibility for adult job training.** As locally-based institutions with a high degree of local control, contact with business and industry, and accessibility, they can best offer the off-site job training and retraining that has begun competing with on-the-job training methods. In this role, **community colleges are urged to strengthen communication links with industry to ensure that the equipment used for instruction matches the equipment graduates will use in the workplace.**

Give me a Few!
ROBOTIC TRACTOR

Creating a Michigan Lobby

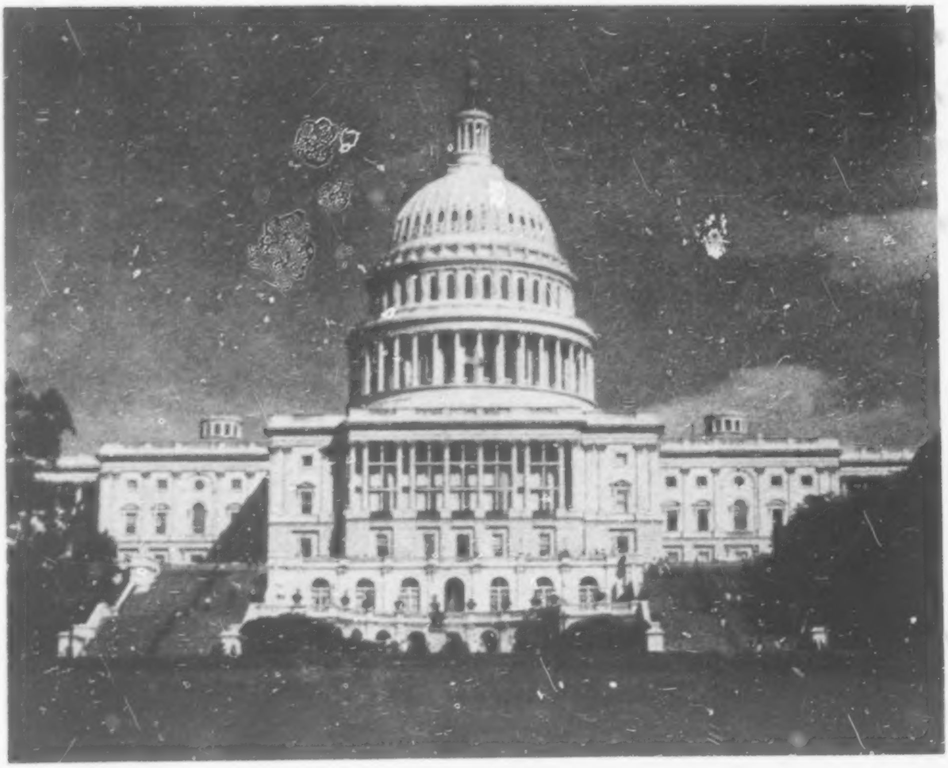
RECOMMENDATION: THAT MICHIGAN'S COLLEGES AND UNIVERSITIES MOUNT A JOINT EFFORT TO INCREASE THE STATE SHARE OF FEDERAL RESOURCES; AND THAT AWARENESS OF MICHIGAN'S RESEARCH AND EDUCATIONAL STRENGTHS BE AGGRESSIVELY PROMOTED THROUGH PEER AND PROFESSIONAL ORGANIZATIONS AND PERIODICALS.

The Commission recommends that Michigan's higher education institutions establish a joint Washington presence in order to improve communications with Congress and increase research support funding. That effort should be conducted in close liaison with the State of Michigan's Washington office. A successful Michigan lobbying effort could assist by:

- Reinforcing Michigan's image as a state which supports frontier research and development;
- Stressing the need for increasing federally-funded financial aid programs for undergraduate and graduate students, maintaining the effectiveness of federal equal opportunity regulations and communicating other key issues for the system as a whole; and
- Increasing Michigan's share of funding from the six agencies responsible for 95 percent of federal support for university research: the National Institutes of Health, National Science Foundation, Department of Defense, Department of Education, National Aeronautics and Space Administration and Department of Agriculture.

Substantial research has documented the relevance of a strong education system to the location decisions made by new and expanding industries. Yet the national view of Michigan's higher education system has been tarnished and research and technological advantages are shadowed by an outdated image. Fortunately, Michigan can now answer the negative stereotypes very effectively.

The Commission recommends that the state's educational institutions in cooperation with state government conduct an aggressive campaign by means of professional and peer organizations, periodicals and contacts, to help create greater awareness of Michigan's higher education system and research strengths. Such a campaign would serve to overcome negative stereotypes about Michigan as a state in industrial decline, and to publicize the state's new commitment of resources to its educational and research institutions. State funding of our proposed national campaign will be required.



Creating a Partnership for Action

Introduction

Educational excellence is a proud Michigan tradition. The Commission has been encouraged and gratified to learn just how deep and widespread is the state's commitment to maintaining that tradition.

Restoring Michigan's educational greatness will be a monumental task, one requiring work and sacrifice from all. With assurance that the burdens will be equally shared, and that their efforts will produce an educational system capable of serving future needs, Michigan's citizens, taxpayers, educators, students, and elected leaders in Lansing and Washington are ready, we are confident, to take action.

The following agenda involves all sectors of the state in rebuilding and redirecting Michigan's system of higher education. Its expeditious enactment will make possible:

- Affordable education, once more, with stabilized tuition costs and expanded financial aid to qualified students;
- Specified roles and missions for each institution, ending expensive duplication of faculty, programs and equipment;
- New state funding policies, based on roles and missions and tied to enrollments;
- New standards of college admission, systemwide core curriculum requirements, teacher training, and higher expectations for the K-12 system;
- New sources of private and foundation funding for specific areas to supplement increasingly scarce state resources;
- New commitments to affirmative action and outreach to increase educational opportunity and access for minority, handicapper, women, older and parttime students;
- A complete data profile of Michigan public and private education so that current information on enrollment trends, program offerings, finances, occupational supply and demand, and student job placement can be used for institutional and individual planning;
- New responsibility for the community colleges in training and retraining of displaced workers, vocational training, and remedial education necessary for college admission;
- New channels for transfer of innovation and technology from the campus to the business community, which will facilitate the transition of Michigan's economy;
- A new and coordinated Michigan education presence in Washington, making the case for Michigan nationally and bringing more federal support to state institutions;
- New sharing and cooperative arrangements between campuses to make the most of library, classroom and other physical resources;
- A strict limitation on most new campus construction, with exceptions approved only where the contribution of a project to the state's overall economic well-being can be demonstrated.

The work of implementing this agenda will fall on all state sectors, and the first task to be undertaken is that of adjusting appropriations. These recommendations are the minimum required, in the Commission's view, to immediately shore up the state's research and technology capacity, stabilize tuition and expand financial aid, fund necessary maintenance and repair, provide for new faculty options, and accumulate the data necessary for future planning.

Assuming Strong State Leadership in All Sectors

RECOMMENDATION: THAT THE GOVERNOR, LEGISLATURE, VARIOUS STATE DEPARTMENTS, HIGHER EDUCATION GOVERNING BOARDS, AND PRESIDENTS, MICHIGAN'S CONGRESSIONAL DELEGATION AND THE STATE'S PRIVATE SECTOR AND FOUNDATIONS ASSUME RESPONSIBILITY FOR IMPLEMENTING THE VARIOUS RECOMMENDATIONS SET FORTH.

This report asks a variety of governmental and private organizations to address specific higher education issues. The following matrix summarizes this agenda and identifies where primary responsibility for implementing the recommendations should be assumed:

	Governor and Legislature	Department of Commerce	Department of Education	Department of Man and Bud	Governing Boards and Presidents	Congressional Delegation	Private Sector and Foundations
Investing in PEOPLE							
Student Financial Aid	x		x				
Federal Financial Aid Improvements						x	
Affordable Tuition Levels	x				x		
Faculty Early Retirement Incentives	x				x		
Faculty Exchanges, Retraining, Internships					x		x
Instructional Equipment	x						x
Minimum Admission Standards					x		
Instructional Core Curriculum					x		x
Affirmative Action Leadership	x				x	x	
Minority Enrollment Incentives	x			x			
Minority and Women Visiting Scholars and Administrative Internship Program					x		x
Vita Bank			x				
Recruit Talented Students into Teaching Profession			x		x		x
Teacher Education Improvements			x		x		
Education Excellence Coalitions for High School Improvement	x						x
Blueprint for Action			x				x
Community College Redistricting			x				
Focusing PRIORITIES							
Deferred Maintenance Program	x			x			
Remodeling Program	x			x			
Capital Outlay Criteria and Project Review Panels	x			x			
Appointment of Governing Boards	x						
Presidential Leadership Support	x				x		
Roles and Mission Classification	x			x			
Program Review and Approval			x	x			
Health and Engineering Program Adjustments	x			x			
Southeast Michigan Institutional Capacity Review				x			
Funding Formula Development	x		x	x	x		
Uniform Accounting			x	x	x		
Cooperative Efforts	x				x		
Technology and Library Panel			x				x
Follow-up Commission	x						
Comprehensive Database			x	x			
Closing Criteria Review	x			x			
Supporting Economic PROGRESS							
Research Excellence Fund	x	x				x	x
Common Semester Calendar	x				x		
Venture Capital					x		
Technology Transfer Network and Expanded Public Service Role		x					
Proprietary Rights					x		
Centralized Job Training Marketing							
Coordinated Federal Effort	x	x			x		
Image Campaign		x					
Urban University Grant Program and Expanded Social Research						x	
Student Entrepreneurship Training					x		x
Modified Tenure Policies					x		

Adjusting Appropriations Through Increases and Decreases

RECOMMENDATION: THAT THE COMMISSION'S MAJOR PROPOSALS FOR INCREASES AND DECREASES BE IMPLEMENTED IN THE APPROPRIATIONS PROCESS FOR FISCAL YEAR 1986.

The work of implementing the proposed agenda will fall on all state sectors, and the first task to be undertaken is that of adjusting appropriations.

The following chart summarizes funding changes tied to the Commission's recommendations. **These funding recommendations are the minimum required, in the Commission's view, to immediately shore up the state's research and technology capacity, stabilize tuition and expand financial aid, fund necessary maintenance and repair, provide for new faculty options, and accumulate the data necessary for future planning.**

FISCAL REQUIREMENTS
(Dollars in Thousands)

	Increase Over FY 1985		
	FY 1986	**FY 1987**	**Total Cost or Continuing Cost**
Student Financial Aid			
•Competitive Scholarship Increase	$ 15,500.0	$ 15,500.0	Continuing
•Work Study Program	5,000.0	5,000.0	Continuing
•Teacher Education Scholarships	1,000.0	1,000.0	Continuing
•General Grant Program	8,000.0	8,000.0	Continuing
•Outreach	500.0	500.0	Continuing
Student Financial Aid Subtotal	$ 30,000.0	$ 30,000.0	
Faculty Options	$ 2,000.0	$ 2,000.0	Continuing
Instructional Equipment		$ 12,000.0	$ 60,000.0
Facility Restoration			
•Deferred Maintenance	$ 30,000.0	$ 30,000.0	$120,000.0
•Remodeling	10,000.0	10,000.0	Continuing
Facility Restoration Subtotal	$ 40,000.0	$ 40,000.0	
Research Excellence Fund			
•Centers of Scholarly Excellence	$ 15,000.0	$ 15,000.0	Continuing
•State Match for Endowed Faculty Positions	5,000.0	5,000.0	$ 15,000.0
•Major Research Equipment	10,000.0	10,000.0	Continuing
•Graduate Fellowships	2,000.0	2,000.0	Continuing
•State Match for Indirect Cost Revenues	10,000.0	10,000.0	Continuing
Research Excellence Fund Subtotal	$ 42,000.0	$ 42,000.0	
Total Fiscal Requirements	$114,000.0	$126,000.0	

The foregoing report also makes a number of recommendations which would result in reduced fiscal requirements. It is estimated that these savings could exceed $50 million in operating funding and result in a capital cost avoidance of over $600 million.

Cost saving recommendations include:

- **ROLE AND MISSION CLASSIFICATION**—The Commission's classification would result in reduced subsidies for certain graduate programs.
- **FORMULA FUNDING**—An enrollment driven formula would adjust funding among the colleges and universities for enrollment changes and, assuming enrollment declines as projected, would also result in reductions in state aid attributable to the systemwide enrollment reduction.
- **BUDGET PROCESS**—The Commission recommends a program review procedure tied to the budget development process which will eliminate state subsidies for some low student volume, low faculty workload and duplicative programs.
- **HEALTH CARE PROGRAMS**—The Commission's recommendation to reduce the size of physician, dental and nursing higher education programs would produce significant savings.
- **CAPITAL OUTLAY CRITERIA**—Use of the recommended criteria would eliminate many proposed new construction projects and would result in a significant cost avoidance.

APPENDIX A

STATE OF MICHIGAN

Executive Office ★ Lansing

EXECUTIVE ORDER

1983-11

ESTABLISHMENT OF THE COMMISSION ON THE FUTURE OF HIGHER EDUCATION

WHEREAS, accelerated economic change has resulted in a need for new and different skill requirements and research, while limited financial resources and population patterns that appear to be shifting have reduced the ability of Michigan's higher education institutions to respond to the many needs of our state; and

WHEREAS, there is a consensus that higher education is vital to our future and to Michigan being a world class center of business, industry, commerce, trade, culture and environmental richness; and

WHEREAS, there has been considerable discussion among Michigan citizens regarding the need for a reexamination of our higher education system and a reevaluation of institutional missions focused on Michigan's future needs;

NOW, THEREFORE, I, JAMES J. BLANCHARD, Governor of the State of Michigan, pursuant to the authority vested in me by the Michigan Constitution of 1963 in Article V, Section 4, do hereby order the establishment of the Commission on the Future of Higher Education within the Executive Office of the Governor.

The Commission shall have the following duties and responsibilities:

1. Recommend future needs for higher education in Michigan. The focus should be on the broad goals of the revitalization of Michigan while maintaining educational excellence. These recommendations should include statements about quality, diversity, access, affordability, institutional missions and program offerings. The survey should include the 15 public baccalaureate colleges and universities, the 29 community and junior colleges, as well as their interaction with the 56 independent colleges and universities.
2. Consider the areas of research that should receive priority support in a time of diminished resources and recommend means for financing these priorities.
3. Assess the expanded public service role these institutions can play in stimulating economic development, augmenting continuing education and cultural enrichment and improving the quality of life in all sectors of our state.

4. Explore all feasible options for achieving the recommended future goals in higher education while maintaining cost efficient centers of advanced learning which make maximum use of existing facilities and talent resources.

5. Compare recommended objectives and requirements to those of the present system of higher education; examine the current configurations of students, faculty, programs, material resources, and facilities to determine the capacity of the present system to achieve these new objectives; and ascertain the recommended changes which should be made based on the Commission's stated goals.

6. Seek advice from all sectors of the higher education community including students and consult with members of the Michigan Legislature.

7. Develop recommendations for future state policy together with guidelines for implementation, including proposed legislation and budget needs which address priorities and investment requirements.

The Commission on the Future of Higher Education shall present a preliminary report, not later than March 30, 1984, and a final report, not later than October 1, 1984, to the Governor and the State Board of Education, embodying recommendations related to all of the duties and responsibilities to which it has been assigned by this order.

All state departments and agencies shall cooperate with the Commission in in the performance of its responsibilities. The departments shall make every effort to avail the Commission of staff and other means of support to assist in the performance of the Commission's duties.

Given under my hand and the
Great Seal of the State of
Michigan this 19th
day of September in the Year
of Our Lord, One Thousand
Nine Hundred Eighty-Three,
and of the Commonwealth, One
Hundred Forty-Seven.

James J. Blanchard
GOVERNOR

A.D. MDCCCXXXV

BY THE GOVERNOR:

Richard H. Austin
SECRETARY OF STATE

APPENDIX B

Background Papers

Following is a complete listing of the background papers referred to in this report. A set of *The Complete Issue Papers of the Governor's Commission on the Future of Higher Education* will be available for a charge from the Michigan Department of Management and Budget. These papers include:

- Trends, Issues and Decisions Facing Michigan's Higher Education System
- An Overview of Previous Michigan Higher Education Commissions
- Postsecondary Enrollments, United States and Michigan: Summary of Historical Data and Projections
- Qualititative Reform of Public Schooling
- Capital Outlay Discussion Paper
- Occupational Supply and Demand and Postsecondary Education
- Equal Access for Women, Minorities and Handicappers in Higher Education
- Issues and Problems Regarding Financial Access to Higher Education in Michigan
- Elements of Quality Associated with Bachelor and Associate Degree Programs in Michigan
- A Summary of Other States' Higher Education Special Commission and Taskforce Activities
- To the Year 2000: Future Trends and Implications for Higher Education
- State Level Academic Program Review and Approval: 1984 Update
- Background Material on Governance
- An Analysis of the Distribution of Programs at Michigan Public Colleges and Universities
- Overview of Educational Television in Michigan
- A Summary of the Statewide Public Comment Sessions
- Comparison of Michigan's Program Approval and Review Process to Other States'
- Michigan Society of Professional Engineers Task Force Report on Infrastructure (Deferred Maintenance)
- 1982-83 Michigan College and University Undergraduate Student Financial Aid Survey
- An Overview of Formula Funding in Higher Education
- Trustee Selection Recommendations — National Commission on College and University Trustee Selection
- Comparative Study on Higher Education Finance
- Background and Policy Papers: Higher Education Roles and Missions
- Public Higher Education and State Economic Growth: A Strategy for Strengthening the Research, Public Service and Job Training Capabilities of Colleges and Universities
- Attitudes and Opinions: Michigan Higher Education

APPENDIX C

Governor's Commission on the Future of Higher Education

James K. Robinson, Chairman
Attorney, Partner, Honigman, Miller, Schwartz and Cohn. Adjunct professor, Wayne State University Law School. Former United States Attorney, Eastern District of Michigan, 1977-1980. Distinguished Alumni Award, WSU Law School, 1979. Chairman, Michigan Supreme Court's Committee on Rules of Evidence. President, National Association of Former United States Attorneys. Commissioner, State Bar of Michigan.

William M. Brodhead, Vice Chairman
Attorney, Plunkett, Cooney, Rutt, Watters, Stanzyck & Pedersen. Former U.S. Congressman, 17th District, 1975-1982. State Representative, 1971-1974. Member, Board of Trustees of the Skillman Foundation, Mt. Carmel Mercy Hospital, Detroit Educational Television Foundation.

George Arwady
Editor and Publisher, Muskegon Chronicle. Chairman, Muskegon County Convention Center Committee. Chairman, Love, Inc. of Muskegon County. President, New Muskegon. Chairman, Michigan Communities of Economic Excellence Advisory Panel. Trustee, Muskegon County Community Foundation.

Beverly A. Belaire
President, PR Associates. Past Chairperson, Greater Detroit Chamber of Commerce. Board of Directors, Detroit Economic Growth, Economic Alliance for Michigan. Steering Committee, Leadership Detroit. Member, Detroit Area Private Industry Council; Metropolitan Detroit Convention and Business Bureau. Board member, Greater Michigan Foundation and Hutzel Hospital.

Francis D. Brouillette
Attorney, Brouillette Law Offices. Dickinson County Prosecuting Attorney, 1960-1976. Iron Mountain City Attorney, 1958-1960.

William Byrum
Owner, Byrum Farms. Member, Presidential Minimum Wage Study Commission, 1978-1981. Executive Vice President, Michigan Cattlemen's Association, 1975-1980. Former Michigan Farm Bureau manager and livestock marketing specialist.

Father Malcom Carron, S.J.
President, University of Detroit Jesuit High School and Academy. Former President and Chancellor, University of Detroit. Charter member and former chairman of New Detroit, Inc. Commissioner, North Central Association. Former Detroit Police Commissioner. Board member of many civic and community service groups.

Richard Cordtz
Secretary-Treasurer, Executive Board member and international representative, Service Employees International Union, AFL-CIO. President, Local 79 and Joint Council No. 35. Served on United Foundation Executive Board, Michigan Wage Deviation Board, Governor's Safety Study Task Force Committee, Wayne County Planning Commission, Industrial Relations Research Association, Detroit chapter.

Albert J. Dunmore
Board Chairman, Chrysler Learning, Inc. Public affairs consultant and former Director of Community Relations and Urban Affairs, Chrysler Corporation. Editorial consultant, former managing editor, Michigan Chronicle. Former editor, manager, The Pittsburgh Courier. Board of Directors, NAACP; Black Family Development, Inc., Friends School of Detroit. Member, New Detroit, Inc.

Dr. John A. Hannah
President Emeritus, Michigan State University. Administrator, U.S. Agency for International Development, 1969-1974. Deputy Secretary General, United Nations, and Executive Director, World Food Council, 1975-1978. Former Assistant Secretary for Defense, Chairman of U.S. Commission on Civil Rights, 1957-1959. Chairman, Citizens Advisory Task Force on Civil Service Reform of Michigan, 1979. Trustee, International Agricultural Development Services. Chairman, International Fertilizer Development Center. Medal of Freedom Award.

Michele M. Hunt
Director of Corporate Relations, Herman Miller, Inc. Former Treatment Director, Michigan Dunes Correctional Facility. Manager, Community Services Unit, Michigan Department of Corrections, and Supervisor of Women's Corrections Center. Probation parole agent. Board of Directors, Holland Hospital, Grand Rapids Symphony. Former board member, Child and Family Services, Ottawa County, and Heritage Homes, Inc.

Rachel B. Keith, M.D.
Physician. Commissioner, Mayor's Emergency Relief Committee and Health Advisory Commission, Detroit, 1982. Clinical assistant professor, Wayne State University School of Medicine. Honorary doctorate, Central Michigan University, 1983. Active on committees at Detroit Memorial, Hutzel, and University of Michigan hospitals. Board of Directors, Michigan Cancer Foundation, Detroit Symphony Orchestra. Member, Detroit Science Center Corporation. Life member, NAACP.

Robert Lowes
Secretary-Treasurer, Detroit Carpenters District Council. President, Carpenters Local 95. Former board member, State Carpenters Council. Delegate and committeeman, state AFL-CIO convention. Active in local area politics.

Henry G. Marsh
Attorney. Former mayor and council member, City of Saginaw. Former chairman, Saginaw Human Relations Commission. Former Chairman, Employment Relations Commission. Board of Trustees, Michigan Municipal League. Former member, Michigan Commission on Law Enforcement and Criminal Justice. Member, NAACP.

Stanley Marshall
Region 1-C Director, United Auto Workers. Member of UAW International Executive Board. Local 599 officer and international staff member. Former Buick assembly line worker.

Patricia L. Micklow
Chief Civil Counsel, Marquette County. Former assistant prosecuting attorney, Marquette County. Member, Representative Assembly, Michigan State Bar and State Bar Committee on Judicial Qualifications. Co-chair, 1978 Advisory Task Force on Spouse Abuse for special joint State Legislative Committee. Member, Michigan Domestic Violence Prevention and Treatment Board. Member, Merit Selection Committee for U.S. Western District Court Judges, 1979.

Dr. James W. Miller
President Emeritus, Western Michigan University. Former State Controller, 1955-1960. Former political science faculty member and secretary to the Board of Trustees, Michigan State University. Served on numerous boards including Detroit branch of Federal Reserve Bank of Chicago, Society for Mental Health, Michigan Civil Service Commission. Active in Kalamazoo civic and cultural organizations.

Helen W. Milliken
Former national co-chairperson, ERAmerica. Board of Directors, Automobile Club of Michigan and Ruth Mott Foundation. Honorary chairperson, Michigan Artrain. Elected to Michigan Women's Hall of Fame. Detroit News Michiganian of the Year Award, 1979. Honorary degrees from six universities and colleges. Active in Michigan China Council, American Women for National Understanding, League of Women Voters and Nature Conservancy.

Lillian Jaffe Oaks
Former president, Southfield City Council. Real estate developer, involved in building and managing apartment buildings. Past member, Lafayette Clinic Institutional Review Committee. Former teacher in Detroit Public Schools. Board of Directors, Lycee International. Board member, Picolo Opera Company and advisory board, Providence Hospital. Active in numerous civic organizations including Chamber Music Society of Detroit and Detroit Symphony Orchestra.

Robert C. Pew
Chairman and Chief Executive Officer, Steelcase, Inc. Served on numerous boards and committees, including Grand Valley State College Citizens Council, Board of Aquinas College, Michigan State Chamber of Commerce, Grand Rapids Foundation, Business Equipment Manufacturers Association. Member of Economic Development Corporation of Grand Rapids.

Charles F. Porter
President and owner, Globe of Michigan, Inc. Former member, president and treasurer of Grand Rapids Board of Education. Former member, Grand Rapids United Fund, Grand Rapids Urban League, Grand Rapids Recreation Board, and State Board of Education Community College Districting Committee.

Philip H. Power
Board Chairman, Suburban Communications, Inc. Chairman, Michigan Job Training Coordinating Council. Member, Governor's Council on Jobs and Economic Development. Former director, Suburban Newspapers of America. Delegate to numerous world press freedom conferences. Lecturer, National War College, 1981-1982. Board of Directors, World Press Freedom Committee, Detroit Press Club Foundation, Michigan Growth Capital Corporation, and the Power Foundation. Member of National Business Council for ERA.

Dr. Phillip E. Runkel
State Superintendent of Public Instruction. Former superintendent, American Community Schools of Athens, Inc., Athens, Greece. Superintendent, Grand Rapids Public Schools, 1970-1978. Former teacher and principal. Distinguished Alumni Award, Michigan State University College of Education, 1983. Numerous other awards and four honorary doctorates.

Dr. Gumecindo Salas
President, State Board of Education. Director of Minority Programs Division, Michigan State University Department of Human Relations. Former counselor and teacher in Detroit Public Schools. Professor at Wayne State University. Numerous awards, including Spirit of Detroit Award from Detroit City Council, 1983. Participant in White House briefings and conferences.

Stanley J. Winkelman
Retired board chairman and chief executive officer, Winkelman Stores, Inc. President, Metropolitan Affairs Corporation. Board of Directors, New Detroit, Inc., the United Foundation, Economic Alliance for Michigan, Economic Growth Corporation of Detroit, Detroit Renaissance, Inc., Economic Club of Detroit, and the Jewish Welfare Federation. Co-chairman, Mayor's Emergency Relief Committee, 1983. Recipient of numerous awards.

APPENDIX D

Governor's Commission on the Future of Higher Education Staff

Dr. Patricia Widmayer, Executive Director
Formerly Director of Policy and Cabinet Affairs, Office of the Governor. Director of Legislation and School Law, State Department of Education. District staff director for United States Congressman. Research analyst for Office of the Speaker, Michigan House of Representatives. Instructor, Oakland University and high school teacher.

L. Annette Abrams, Deputy Director
On leave as Director of Office of Intergovernmental Relations and Affirmative Action, Michigan Department of Mental Health; was also legislative policy analyst for Michigan State Senate, Ford Foundation executive, and administrator for several federal drug abuse projects. Served on staff of U.S. Senator.

Dr. Dwight Lee Peterson, Associate Director
Also Supervisor of Support Services, Student Financial Assistance, Michigan Department of Education; responsible for development of statewide financial aid information packages, administering degree reimbursement programs for private colleges. Consultant and administrator for university admission programs, grants and scholarships.

Paul Reinhart, Associate Director
On leave as program budget analyst, Michigan Department of Management and Budget, with responsibility for development of annual budget recommendations for numerous departments and education programs including financial aids, community colleges and capital outlay; held other budget-related development jobs in state civil service.

Patricia (Tish) Tanski, Associate Director
Research Director, Michigan Department of Commerce. Formerly Director of Budget Office, Michigan Department of Labor. Has served in various state and private agencies as a fiscal, legal and legislative analyst. Former VISTA volunteer.

Melinda Remer, Executive Assistant
On leave from the Michigan Department of Civil Rights, Special Projects. Former policy analyst, Office of the Governor. Served as administrative assistant for Minority Leader, Michigan House of Representatives, with responsibility for office administration, legislative proposals and departmental liaison.

Rhea Lodge, Public Information Director
On leave from Michigan Department of Labor. Former newspaper editor; owner of public relations and advertising firm; affiliated with several others. Former Director of Public Relations, Oakland University Continuing Education Department.

Jean Valley, Executive Secretary
On leave from Corporations and Securities Bureau, Michigan Department of Commerce. Former secretary in the Office of the Governor in area of education and student financial aid in the State Department of Education; also secretary to Michigan Youth Corps.

Shirley Winters, Receptionist-Secretary
Formerly secretary for Northwest Suburban Aid for the Retarded, Park Ridge, Illinois. Clerical assistant, Park Ridge Public Library.

Elizabeth Thompson, Doctoral Intern
Ph.D. candidate, Michigan State University. Former university instructor and student residence program administrator.

Consultants have included:

> **William B. Castanier,** Director of Office of Public Affairs, Michigan Department of Labor. Has held various media positions, trade association and promotional management positions.
> **Dr. John F. Hanieski,** Economist, Michigan Department of Commerce. Board of Directors, Michigan Industrial Developers Association. Chairman, Detroit/Wayne County Port Authority.

And thanks for their assistance to:

> Martha Bergsten, Margaret Cooke, and Dr. Anthony Travis.

(From left) Dr. John A. Hannah, George Arwady, James K. Robinson, Lillian Jaffe Oaks, Patricia L. Mobley, Philip Power.

(L to r standing) Thomas Marsh for Commissioner Richard Cordts, Charles Porter, Stanley Winkelman. (Seated, from l) Father Malcolm Carron, Michele Hunt, Dr. Phillip Runkel, Cyril McGuire for Commissioner Stanley Marshall.

(From left) Dr. James Miller, Dr. Gumersindo Salas, Robert Poe, Henry Marsh, Dr. Rachel Keith, William Brodhead

Commissioners William Byrum and Albert Dunmore

(Front row from left) Melinda Remer, Executive Director Patricia Widmayer, Jean Valley, Tish Tanski. (Back row from left) Paul Reinhart, Rhea Lodge, Lee Peterson, John Hanieski.

(From left) Deputy Director Annette Abrams with Commissioners Albert Dunmore and Lillian Jaffe Oaks.

(From left) Jean Valley and Shirley Winters

CREDITS

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of Herman Miller, Inc.

The **Kellogg Foundation**, whose generosity made possible *Attitudes and Opinions: Michigan Higher Education*, a summary report of a statewide survey of Michigan adults, commissioned jointly by the Governor's Commission on the Future of Higher Education and the Michigan Association of Governing Boards. The **Directors** of the Departments of **Civil Rights, Commerce, Education, Labor** and **Mental Health**, who loaned staff for the Governor's Commission on the Future of Higher Education. **Steelcase, Inc.** which underwrote the David Snyder conference on Future Trends. **Lansing Community College, Michigan State University, Oakland University**, the **University of Michigan**, and **Wayne State University** for photographs used in this report.

And a very special thanks to:

Shirley Gray, Michigan Department of Commerce, who helped immeasurably as the writer of this final report.

Mr. **Ford**. That finishes our panel.

Before you leave, I want to make an observation that I should have made earlier. We, as you can see, operate under a very tough time constraint in trying to accommodate even the number of people who were here today, and we know that there are people who are disappointed and wanted to testify and we weren't able to hear them. We hold these records open until we finish the whole process and if any of you who have testified or any of you who have been in the room would like to add comments or even disagree with comments that you have heard here, if you submit those to us, we would be most happy to include those in the record for this hearing when it is put together for the rest of the Congress.

We want to make sure that anyone who has an idea, thought or concern has an opportunity to express it. You don't have to be a witness sitting at that table to do it, so if there is anybody here who wishes to do it, or if the people who are sitting in the panel, as a result of what you heard other people say, might want to make some additional comments to your prepared statements that you gave us in advance, we would be pleased to receive them.

I thank you very much for your cooperation and for your attention, and once again, we thank Dr. Porter and the university for affording us these fine facilities. I have to tell you, John, that we are not used to having a hearing room that—if we had hearing rooms like this in Washington, we would have more hearings. We are very happy to be your guests here and very appreciative for your cooperation in making this hearing possible.

[Whereupon, at 1:30 p.m., the subcommittee was adjourned, to reconvene subject to the call of the Chair.]

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